

The Global Newspaper
Edited and Published
in Paris
Printed simultaneously in Paris,
London, Zurich, Hong Kong,
Singapore, The Hague, Marseille,
New York, Rome, Tokyo, Frankfurt.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No. 34,133

48/92

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LONDON, TUESDAY, NOVEMBER 24, 1992

ESTABLISHED 1887

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Fire fighters raising a ladder to the roof of a building housing Turkish residents that was firebombed Monday in the German town of Mölln, near Hamburg.

Outrage as Violence Widens in Germany

3 Turks Killed in Latest Bombing, Federal Prosecutor Sees a Nazi Plot

By Marc Fisher
Washington Post Service

BERLIN — Germany's anti-foreigner violence reached a new depth on Monday when a neo-Nazi firebombing killed three Turkish-Germans, including a 10-year-old girl who was born in Germany.

Federal prosecutors immediately took over the investigation of the attack, a sign of the government's newfound determination to crack down on violence by extremists on the right.

Chancellor Helmut Kohl expressed outrage over the attack, calling it "a terrible experience for every law-abiding and decent person in Germany" and "a disgrace for our country."

Reuters reported from the Western German town of Mölln, where the attack occurred, that the chancellor spoke on German television.

The federal prosecutors said they intended to treat the firebombing as a triple murder. Prosecutors had investigated previous fatal arson attacks on foreigners as manslaughter cases.

In a separate incident, neo-Nazis murdered an anti-fascist activist. It was also disclosed that neo-Nazis had murdered a man they thought was Jewish, dumping his body in the Netherlands. The incidents increased the number of deaths attributed to attacks by such extremists this year to 16, from 11.

Previously, the federal prosecutor, Alexander von Stahl, had declined to get involved in the prosecution of anti-foreigner attacks, leaving the work to the local authorities because, he said, there was no proof of a political motive behind the assaults.

Mr. von Stahl shifted his position Monday, declaring that the latest arson made it clear that the "unknown attackers want to re-establish a National Socialist dictatorship in Germany."

Fire fighters were alerted to blazes in Mölln, near Hamburg, by calls from someone who said: "Fire in Ratzelburger Street! Heil Hitler!"

In addition to the three dead, the fire seriously injured nine Turks and left homeless 45 workers, some of them whose forebears have been in Germany for two generations.

The premier of Schleswig-Holstein and leader of Germany's opposition Social Democratic Party, Björn Engholm, called the fire in his state "an appalling high point in violence by the extreme right."

One of Germany's most prominent Jewish figures, the novelist and political commentator Ralph Giordano, sent a telegram to Mr. Kohl on Monday night saying that because of the government's "inexcusably weak" reaction to anti-foreigner violence, "we have lost our belief and hope that you and your government can offer effective protection against right-wing extremism and its anti-Semitic criminals."

Mr. Giordano said in the telegram that he and other German Jews had decided they must provide their own protection, "even including armed self-defense." Mr. Giordano, 69, later told reporters that he was carrying a weapon to protect himself against extremists.

Most of the more than 1,800 anti-foreigner attacks that have taken place this year have been directed at refugees seeking asylum in Germany. By assaulting longtime residents, extremists are now showing their campaign is directed "not against asylum-seekers, but against all foreigners," said Turkey's ambassador to Germany, Onur Oeymen.

More than 1.7 million Turks live in Germany as "guest workers." Germany has no legal immigration program.

The ZDF television midday news program began, "The fear of foreigners living in Germany that they, too, might be attacked is apparently justified."

The firebombings in Mölln followed Germany's 13th consecutive weekend of anti-foreigner violence. In a Berlin subway station, neo-Nazis stabbed four anti-fascist activists, killing an Eastern German man, Silvio Meier, who had been an anti-government activist during Communist rule.

The police battled with skinheads and other rightist extremists in three eastern cities, while rioting mobs attacked a shelter for asylum-seekers in the town of Schöningen.

The police also said that two skinheads had confessed to murder in a previously unreported case in which radical youths beat, set ablaze and killed a 53-year-old butcher in the western city of Wuppertal because they thought he was a Jew.

That murder, which took place Nov. 13, came to light after the Dutch police told newspapers in the Netherlands that the murdered man's body had been driven across the border and dumped.

The victim, identified by the Dutch police as See **ATTACK**, Page 4

Swamped, Is the EC Currency System Drowning?

By Erik Ipsen
International Herald Tribune

LONDON — The European Monetary System, once a supposed beacon of economic stability, is wobbling badly, threatening to unleash a wave of competitive devaluations that drowns Europe's dream of monetary union for good.

Barring some sort of political fix for a system that has become rigid and sclerotic, many analysts now expect the fortunes of the monetary system to decline along with the state of its members' economies.

"In time the EMS will simply self-destruct just like Bretton Woods and the old fixed exchange-rate system," said Richard Conquest, chief economist for the Daiwa Institute of Research in London.

As three European countries raised interest rates Monday to defend their currencies after the third revaluation in as many months, Germany warned its European Community neighbors that it would not lower the high interest rates that are at the heart of Europe's monetary instability.

The comments came even as the Community's finance ministers met in Brussels to plan a way to revive their economies.

"I am astonished at how out of touch with reality European policymakers are at the moment," said Jim O'Neill, head of capital market research for Swiss Bank Corp.

Henning Christopherson, the Community's economic affairs commissioner, told reporters Monday at an EC finance ministers meeting in Brussels not only that he thought the Irish punt would get by without a devaluation but also that the need for additional EMS realignments had passed. "Enough is enough," he insisted.

But few foreign currency traders and economists agree with the commissioner. In fact, many see this weekend's devaluation of the Spanish peseta and Portuguese escudo as a botched job, as one that instead of adding much-needed stability to the system only served to further erode it.

On Monday an Italian official added his voice to those insisting that the European Monetary System faces severe problems. At the finance ministers meeting, Italy's treasury minister, Piero Barucci, assailed the time lag involved in this weekend's realignment. He noted that it had taken the system 10 weeks to make adjustments that were clearly necessary back when the currency crisis exploded in September.

See **EMS**, Page 15

3 Countries Lift Interest Rates as Tensions Persist

By Carl Gewirtz
International Herald Tribune

PARIS — Disappointing some money traders, Germany maintained its high interest rates Monday as Ireland, Spain and Norway, fearing a resumption of speculative pressure, raised their rates to defend their currencies.

"Edgy, but reasonably stable" was how one trader described the day's mood in European foreign exchange markets after the weekend devaluations of the Spanish peseta and the Portuguese escudo.

But the persistent tensions, observed Christopher Potts at Banque Indosuez in Paris, underline "that something has got to give if Germany doesn't cut its interest rates soon."

The dollar, which had traded up on Friday because of rumors of a Bundesbank rate cut, receded Monday after Bonn's state secretary for finance, Horst Köhler, rejected any idea that a realignment of European currencies should be linked to cuts in German rates.

The dollar closed in New York at 1.6050 Deutsche marks, just under its 1.6055 DM close on Friday.

Signs of tension abounded. Neither the peseta nor the escudo recovered as currencies normally do following a devaluation. The escudo rose, to 89.34 per mark, but not enough to be impressive. The peseta, at 72.5 per mark, weakened modestly. Both had been devalued by 6 percent.

Worse yet, the Bank of Spain increased interest rates by 0.75 point to 13.75 percent, whereas devaluations usually open the door to a lowering of rates.

Rates were also jacked up in Ireland, to 30 from 13.75 percent, to stave off an embarrassing devaluation of the punt on the eve of a general election. The Irish currency, insulated by exchange controls, held relatively steady at just above its floor level. The cost of overnight



Brokers on the floor of the Lisbon stock exchange monitoring market action Monday after the escudo's 6 percent devaluation.

Offers for U.S. Spy Satellites Set Off Rift

By William J. Broad
New York Times Service

NEW YORK — At least three countries are seeking to buy surveillance satellites in the United States. The requests, government experts said, have set off a high-level rift and a policy review within the government that will probably have to be resolved by the Clinton White House.

It is a watershed, analysts said, that the government is even considering permits to sell such high-tech surveillance craft, which can cost a billion dollars and have been cloaked in the highest secrecy ever since their debut 32 years ago. Several people are now in prison just because they leaked information about such satellites or data gathered by them.

Orbiting high above the Earth, the cameras can take pictures of objects on the ground that are of enormous interest to military planners, revealing for example the size and location of tanks, troops, ships, missiles and aircraft.

The use of such imagery, experts said, can aid or deter war. A nation peering far beyond its borders from space is less vulnerable to surprise attack. But it can just as easily scout invasion routes and targets. During the Cold War, the satellites were the chief source of targeting directions for U.S. long-range bombers and missiles.

The satellites are built by private industry, but to export any kind of military equipment, a contractor must first get a license from the government.

Federal experts said that Spain, South Korea and the United Arab Emirates have all recently sought reconnaissance craft. American military contractors, eager for such lucrative work as military budgets decline, said that other Middle East and Asian countries have expressed interest.

Hans Mark, a former director of the National

See **ORBIT**, Page 4

Passport-Free EC Travel: Another Dream Deferred

Wide Demand for Tightened Controls

By Alan Riding
New York Times Service

PARIS — While the European Community is on course to become the world's largest customs-free market on Jan. 1, the plan to allow people to travel among the 12 nations without ever showing a passport has been quietly postponed.

Britain and Denmark strongly oppose removing passport checks at their borders. Ireland is tied to Britain's regulations and several other governments are demanding tighter controls to bar illegal immigrants, criminals and terrorists.

"We're now aiming for the end of next year, at least for nine members of the Community," said a Spanish Interior Ministry official, "but there are still many variables. There are technical problems, and there are political problems."

The delay is a new blow to the Community's dream of unity. Unimpeded travel within the region was the principal way that the unified market could immediately touch the lives of ordinary Europeans, whose movements will soon be more restricted than those of goods.

Further, the elimination of passport controls was intended as a powerful symbol of the Community's determination to turn its back on its own warring history.

Citizens of EC countries now must show a passport or identity card when crossing a border, but they benefit from "fast-lane" document checks at most airports. In northern Europe, controls at land borders are often relaxed, but France, for example, still checks travelers coming from the south for fear of illegal immigration by North Africans.

In reality, if the plan is put into effect, it would benefit more than just EC citizens; once travelers of any nationality entered any Community country, they would be permitted to visit the other 11 countries without further passport checks.

But now, beyond political hesitations, there are signs that enthusiasm is waning. France, for example, has told its partners that postponing the plan would help prevent the explosive immigration question from dominating the campaign for parliamentary elections in March.

Germany, which in recent months has been engulfed by asylum-seekers from Eastern Europe and shaken by racist attacks on foreigners, is also looking twice at the issue. It sees no threat from countries within the EC, but demands for stricter border controls are growing.

Britain, ever jealous of its sovereignty, has warned that hopes for parliamentary ratification of the Treaty on European Union next year could be dashed if the EC were heavy-handed

See **BORDERS**, Page 4

GE Sells Aerospace Unit for \$3 Billion

General Electric Co. agreed Monday to sell its aerospace division to Martin Marietta Corp. for \$3.05 billion in the largest consolidation so far of the shrinking U.S. defense industry.

Martin Marietta will almost double its annual revenue, to about \$11 billion, and now bids to become the preeminent U.S. defense contractor while most others seek to slim down or specialize. The deal will affect 38,000 GE employees in 10 states. (Page 11)

Kiosk

EC Wants \$60 Billion for Transport

BRUSSELS (AP) — European Community officials placed a \$60 billion figure Monday on a proposal for more railroads, roads and other infrastructure projects to help pump up Europe's faltering economy. The plan was disclosed in an interview with Jacques Delors, president of the EC Commission.

The proposal would be presented to leaders of the 12-nation bloc at a summit meeting early next month in Edinburgh, according to officials of the Commission.

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The Bear Facts of Life Polarize a Canadian Town

By Clyde H. Farnsworth
New York Times Service

CHURCHILL, Manitoba — November is polar bear season in Churchill, a town of 800 on the gray and rocky western shores of Hudson Bay. One of the town's busiest men is Larry Brown, keeper of the bear jail.

"My job is to protect people from bears and bears from people," he said early one recent morning while inspecting traps around the dump where the now ravenous bears, the largest nonaquatic carnivores on earth, prowl.

The traps are not designed to injure but to intercept bears headed for town and trouble. Like the 700-pound (310-kilogram) male that broke into the home of Lorraine Allen at Spruce Ridge the other day as she was baking cupcakes.

The bear forced entry by ripping screens from the bathroom window, then lumbered into the kitchen as Mrs. Allen retreated, cowering for help. Her husband, Dan, rushed over with his rifle and killed the bear with one shot as it stood over the kitchen table, eating cupcakes.

A happier fate awaits those in the traps of Brown. After a month or two in the jail, depending on the space available in the 20-pen Quonset hut, they are released on a first-in, first-out basis.

Sodated, they are transported four at a time in nets dangling from a helicopter 50 miles back into the pristine wilderness along the North Knife and Seal Rivers.

Although they are not technically an endangered species, polar bears are protected by law. Indian and Eskimo groups are permitted to kill a certain number of bears a year; others may kill bears only in self-defense.

Situated near denning areas where bears give birth, Churchill calls itself the polar bear capital of the world. It is one of the rare places where the normally aloof, seal-eating polar bears have significant contact with people.

That contact has increased lately as thousands of tourists pour into Churchill to see the bears in their natural habitat.

"I saw about 15 today, including a mother and cub play-fighting and running around, and it was wonderful," said a New Yorker named Irene Greenberg, who manages a veterinary hospital in Bayside, New York.

While conflicts are inevitable as people inhabit and visit places that polar bears call home, Churchill is doing all it can to keep such conflicts to a minimum, both for safety and economic reasons.

To Doug Webber, the town's two-term mayor, there is no question Churchill needs the bears.

"To the run-of-the-mill resident, bears are a pest," said Mr. Webber, who owns hunting and fishing lodges and offers flying tours with money-back guarantees if his guests fail to see polar bears. "But because of tourism, people also realize bears are a cash crop and don't want to do anything to harm them."

If this represents an unusual convergence of economic and environmental goals, the statue of a mother bear and her cub before the Chamber of Commerce on Kelsey Street is a fitting official monument.

Since the mid-1980s, three local entrepreneurs have had licenses to carry tourists in "hundra buggies," big-wheeled buses, to observe the bears in their natural state.

Such tourism, with the spinoff in T-shirts and other souvenir purchases, motel bookings, restaurant meals and employment as guides and drivers, now represents about 30 percent of the town's economic activity, which was severely affected in the early postwar years by the shutdown of a big military base and later a rocket-testing installation.

The threatened closing of the port of Churchill, which in the short three-month shipping season sends Manitoba and Saskatchewan

See **BEARS**, Page 4

TRANSITION/ PRAGMATISM TO THE FORE

Macro to Micro, Clinton Team Views the Economy From Ground Level

By Steven Pearlstein

WASHINGTON — The election of Bill Clinton represented not only a repudiation of the Bush administration's economic policies, but also something of a snub to economists.

When Mr. Clinton was a candidate, his inner circle of economic advisers included two lawyers, a business consultant, a professor of urban planning, two investment bankers, a speech-writing policy analyst, two journalists and the vice president of a Washington research center — but no certified economists.

For a decade or more this group had been writing and thinking about the U.S. economy's long-term decline, only to be dismissed by large segments of the economics profession as historians, sociologists or, even worse, pamphleteers. By focusing on American management's failings and the need for government industrial policy, they ran afoul of the widely held belief among economists that tinkering with government policies and corporate management practices will not improve the overall economy.

These baby boomers now are preparing to chart a new economic future for the United States. Their ascendancy represents a generational shift that will expand the economic debate to ground-level macroeconomic concerns, such as training, technological innovation and improved management techniques, from all-encompassing macroeconomic issues, such as money supply and currency values.

"For years, much of the profession had contempt for them," said Richard Nelson, an econ-

omist and professor of international and public affairs at Columbia University in New York. "Now I suspect you're going to get a bit of a backlash."

Clinton aides acknowledge the turnaround but said the transition process had begun to reach out to licensed practitioners.

"Some of our best friends are economists," said Derek Shearer, an urban studies professor

NEWS ANALYSIS

at Occidental College in Los Angeles and a charter member of Mr. Clinton's economic brain trust.

Others say that the Clinton team is knee-deep in discussions of macroeconomic issues, such as tax cuts or public works programs that add funds to the economy and increase demand for goods and services.

"It's not like we have some theological belief that macroeconomics don't matter," said Robert Shapiro, a top Clinton adviser with a doctorate in political economy and a résumé that includes jobs as a journalist and head of a Washington research center. "Of course they do. They just don't tell the whole story."

The problem, Mr. Shapiro said, is that the once tried-and-true macroeconomic techniques of fixing the economy — lowering interest rates, increasing federal spending, manipulating the dollar's value — have become ineffective at a time when investment capital flows freely across borders and global competition is intense.

"George Bush has been pulling furiously at all those macroeconomic levers," Mr. Shapiro said. "The problem is that they no longer work."

It is how they think of the economy, not what they think, that distinguishes the microeconomists from macroeconomists who have dominated the economic debate for a generation.

The new focus is on regarding long-term competitive advantage over Germany, Japan and other economic superpowers. They reason from experience to theories, not the other way around.

In terms of policy prescriptions, the members of the Clinton economic team are less consistently liberal or conservative than they are pragmatic. They propose that government intervene more in the operations of the economy, but they also propose to bring more business discipline to the operation of government, which has a \$300 billion budget deficit.

Mr. Clinton said he learned his economics lessons as a governor trying to implement a development strategy for his poor, rural state.

When Mr. Clinton thinks about economic policy, his aides said, it is usually in the context of helping specific industries deal with the cold winds of international competition or providing growing companies with the capital, employees and technologies that they require.

"People involved in economic development find the economics profession useless, and I suspect the feeling is mutual," said David Osborne, a journalist who has studied economic initiatives in Arkansas and elsewhere and who

was an informal adviser to the Clinton campaign.

Last month, for example, Mr. Clinton met with his advisers past midnight before stating his position on the proposed free-trade agreement with Mexico and Canada. According to several participants, the lone economist present proposed to frame the issue in terms of the salutary effects of free trade on the nation's gross domestic product and closer coordination among the industrial nations.

But Mr. Clinton was worried as much about the parts of the proposed agreement as the whole. He ordered his staff to calculate the impact of the treaty on every industry and draw up policies to help any that would be disadvantaged.

Heading up the president-elect's economic transition team is Robert B. Reich, a lawyer who, despite his prolific writing on economic competition, has never received a permanent faculty appointment at Harvard University's Kennedy School of Government. The reason: He holds no doctorate.

A decade ago, Mr. Reich and another top Clinton adviser, Ira Magaziner, wrote a book about the decline of U.S. industry that began with a sweeping critique of the traditional economic analysis that often led companies and governments to make wrong decisions.

At the time, most economists had concluded that the United States suffered primarily from a lack of investment capital necessary to modernize plants, launch new products and companies and finance research and development. Mr.

Magaziner and Mr. Reich argued that the problem was not so much with the overall level of investment, but rather the unproductive ways in which so much of the capital was invested.

The problem with the theoretical models used by most macroeconomists, they say, is that they are based on a number of faulty assumptions:

- That all business executives were equally rational, competent and greedy — "profit-maximizers."

- That companies and government agencies had no real bearing on the "output" of a national economy.

- That innovation and technological advances were irrelevant — "exogenous events" — because the impact could not be quantified.

The assumptions, however, ran counter to what Mr. Reich and Mr. Magaziner found in their own experiences — Mr. Reich as director of policy planning at the Federal Trade Commission; Mr. Magaziner as a consultant for some of the largest U.S. companies and several foreign governments.

By the late 1970s both men had come to the conclusion that much of what ailed the U.S. economy stemmed from bad corporate management or misguided government policies and that technology was a key factor in economic competition between countries.

That put them in direct conflict with the central tenet of economic thinking in the Reagan era, namely that a free and unfettered marketplace corrects for its own excesses and is

the best guarantor of economic growth and efficiency.

Since then a group of younger economists has begun to challenge this free-market orthodoxy.

Paul Krugman, 39, an economist at the Massachusetts Institute of Technology, and a Clinton campaign adviser, said, "For people in their fifties, the cutting edge of economics was to show how markets were perfect. For people in their thirties, the cutting-edge work is now in showing how markets are imperfect."

The political implication of these findings was unmistakable: If markets are imperfect, then there might be a constructive role for government in the management of the economy. It was precisely the same conclusion that Mr. Clinton and his array of unlicensed advisers had come to by different routes.

But despite this fundamental agreement, the licensed and unlicensed practitioners continue to view each other warily.

Robert Solow, the Nobel Prize-winning economist who helped organize economists in support of Mr. Clinton, has said that "the translation of the Clinton program into numbers has yet to be done."

George Perry, a Brookings Institution economist and Clinton backer, said he worried that too much of the Clinton economic analysis sounds like convincing "cocktail party lines."

"Bob Reich is an imaginative thinker, but you need serious economic analysis to make sure that when you are designing specific policies, you get what you're after," he said.

POLITICAL NOTES

Senator, Apologizing, Won't Quit

WASHINGTON — Senator Bob Packwood of Oregon apologized, but he will not consider resigning over allegations by a number of women with whom he worked that he had made unwelcome sexual advances toward them.

In a statement, Mr. Packwood said, "If any of my comments or actions have indeed been unwelcome or if I have conducted myself in any way that has caused any individual discomfort or embarrassment, for that I am sincerely sorry." His chief of staff, Elaine Franklin, said he had no intention of resigning. Mr. Packwood, a Republican, was reelected Nov. 3 after a hard campaign against Representative Les AuCoin, a Democrat.

Two of the women who made allegations of unwelcome advances said they were not satisfied with Mr. Packwood's apology.

"It's a spin-control thing," said Julie Williamson, a political consultant who said the senator had kissed and grabbed her in 1989 when they were in his Senate office in Portland. She said she thought Mr. Packwood was now mostly concerned with minimizing the political fallout. Mary Heffernan, executive director of the Woman's Foundation for Oregon, said she would "encourage the senator to look deeply into his own behavior, and tell the citizens of Oregon what he is going to do about it."

Mr. AuCoin said, "I feel a great sense of sorrow for the tragedy in the lives of 10 women and perhaps others. In the end, it is their courage in stepping forward to where none have been prepared to go, which writes a new chapter in the history of equality

and hopefully of ethics in the United States Senate." The Oregon Democratic Party may ask the Senate ethics committee to investigate the matter, said Paddy McGuire, a former executive director of the state party. (WP, AP)

Clinton's Ecology-Economy Link

WASHINGTON — President-elect Bill Clinton is preparing to give the Department of Energy a strong role in his effort to make industry more efficient and reduce environmental damage, transition advisers say.

Those working on the plans say they reflect Mr. Clinton's desire to transform a bureaucracy that was largely involved with designing and building nuclear weapons during the Reagan-Bush years. New emphasis would be placed on integrating environmental objectives into economic policy.

The blueprint being put together by industry executives as well as by staff members close to Mr. Clinton and Vice President-elect Al Gore conforms with the promises Mr. Clinton made during the campaign. He said he wanted to wean the nation from its reliance on coal and oil by converting to cleaner, less costly alternatives such as natural gas, using tax incentives and research money to encourage development of renewable resources and expanding the U.S. share of the global market for pollution-control equipment and services. (NYT)

Arkansas-Washington Price Gap

WASHINGTON — Arkansas aides who plan to move with President-elect Bill Clinton to Washington had better take a deep breath.



Bill Clinton with Jesse Jackson after a church service in Little Rock. The men then met at the Arkansas governor's mansion, discussing the transition and the new administration's priorities.

A four-bedroom house that goes for \$180,000 in fashionable western Little Rock goes for about \$600,000 in Washington's Foxhall Village and from \$450,000 to \$500,000 in suburban Bethesda, Maryland, and McLean, Virginia. So says Runzheimer International, a management consulting firm, which also pegs annual living costs at \$22,000 more in Washington than in Little Rock for a homeowner earning \$100,000.

"I imagine most people will end up buying condos

or renting until they adjust to the prices," said a realtor in Alexandria, Virginia. (LAT)

Quote-Unquote

Luc Salomon, an unemployed Haitian hoping to emigrate to the United States: "As far as I am concerned, after the good Lord comes Bill Clinton, and as soon as Bill Clinton is sworn in, you'll see me go." (NYT)

Clinton Stumps in Georgia For Senator in Runoff Race

The Associated Press

MACON, Georgia — President-elect Bill Clinton campaigned Monday for Senator Wyche Fowler Jr., who is in a tight runoff race, saying he needs the Democrat's help to overcome Republican opposition in the Senate and "break this gridlock in Washington."

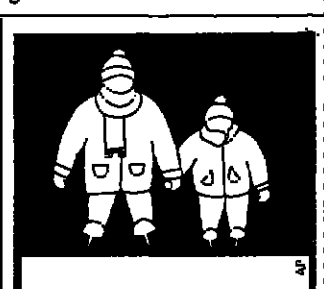
Mr. Clinton spoke to about 2,000 people from the lawn of Macon's city hall. "I have offered my hand in friendship to the opposition in Washington," he said, "and do you know what they are saying about this race? 'If you beat Wyche Fowler, it will be easier to block everything President-elect Clinton is trying to do.' I don't think we want block, we want action."

A victory by Mr. Fowler in Tuesday's voting would be likely to give the Democrats a net gain of one seat in the next Senate, for a 58-42 advantage.

Mr. Fowler's challenger, Paul D. Coverdell, a former director of the Peace Corps, brought in such influential Republicans as the Senate minority leader, Bob Dole of Kansas.

Mr. Clinton urged Georgia residents to "show up tomorrow and vote and re-elect Wyche Fowler,

not for me, not for him, not for the Democratic Party, but for you—to end the gridlock, solve the health care crisis, to move the economy forward and pull this country together."



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Away From Politics

• Opposed to the ordination of women, Donald Davies, the retired Episcopal bishop of Fort Worth, said he has broken with the 2.45 million-member church and will head the new "Episcopal Missionary Church," which he said was made up of former Episcopalians who oppose "increasing liberalism and secularism of the Anglican faith."

• Detroit police officers may be issued such weapons as tear gas or stun guns, in addition to pistols, following the death of a motorist allegedly beaten by the police. The department is seeking nonlethal options for officers in tight spots.

• A navigation satellite, the 16th in a series, was launched from Cape Canaveral, Florida. The air force eventually wants to have 24 advanced navigation spacecraft orbiting 12,500 miles (20,265 kilometers) above Earth.

• Immigration officials deported to Mexico two high school students in Omaha, Nebraska, saying that the teenagers were illegally in the United States.

• A terrorist-proof gate made for the Canadian Embassy in Washington at a cost of \$100,000 is being sold for scrap. The computer-controlled, stainless-steel portal broke in 1989 after two weeks of use because it was poorly designed and was too heavy. Repairs would have run \$60,000, so the embassy has decided to buy a lighter model for \$24,000.

• Weekend tornadoes raked across the South and northward into Ohio and Indiana, killing at least 25 people, smashing houses and tearing a church steeple loose during Sunday services. Among the hardest hit areas was Brandon, Mississippi, where 10 people died, 6 in a trailer park.

• A moderate earthquake rattled Puerto Rico but no injuries or significant damage was reported. The U.S. Geological Survey said a tremor measuring 4.8 on the Richter scale struck an area whose center was 65 miles (105 kilometers) west-northwest of San Juan. AP, UPI, Reuters

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Who's on Clinton's List? No One and Everyone

By Gwen Ifill

WASHINGTON — Sam Nunn, Lloyd Bentsen and Bill Bradley are all prominent pieces in Washington's favorite puzzle these days, and it is not necessarily because they are all senators.

They are on The List, an ever-lengthening compilation of names of people who are rumored to be under consideration to join President-elect Bill Clinton's cabinet.

"A lot of it is campaigning," said one Clinton aide who is watching the confusion with an amused eye. "A name gets into play, and unless it's knocked down — which is not possible to do — it remains in play. So a very savvy politician will find a way to get his name mentioned."

And since our rule is not to talk about personalities, no one will knock it down.

Clinton aides insist that the discussion of names for possible appointment is held in "a very closed loop" that includes Mr. Clinton; his wife, Hillary; Vice President-elect Al Gore; Warren M. Christopher, the transition director; and Bruce Lindsey, a Clinton adviser.

But those claims do nothing to blunt the growth of the rumor mill, which flourishes with little nourishment.

Thousands of résumés have poured into Little Rock, Arkansas, and into the offices of Mr. Christopher and Vernon E. Jordan Jr., the transition chairman.

"But if you're really serious, you don't need paper," a Clinton aide said. "It's all done without traces or fingerprints."

On another level, some of the ferment over appointments has approached the border of absurdity. By one count, for example, almost every prominent New Jersey politician is on the way to Mr. Clinton's inner sanctum.

In Texas, the frenzy is just as spirited as Mr. Bentsen's name continues to surface as a cabinet prospect. Senator Bob Graham and Lieutenant Governor Buddy McKay, both of Florida, are also mentioned often.

Part of the reason the rumor mill keeps so well oiled is because of the nature of the secretive process the Clinton transition team has set in motion for picking the top 27 jobs, consisting of the cabinet posts and other senior positions.

"We're trying to reach out to public officials and to different organizations and groups to try to get suggestions of people who may not be obvious to us at first blush," Mr. Lindsey said. "But we're simply not casting."

Mr. Christopher has followed a deliberate process similar to the one Mr. Clinton used to keep a tight lid on information about whom he would select as his running mate.

"I don't think there are any front-runners, back-runners or anything like that," said George Stephanopoulos, the campaign's communications director.

"Start with the premise that only two people know who's on the short list, if there is one," said one Capitol Hill aide whose boss has been mentioned. "And their last names are both Clinton."

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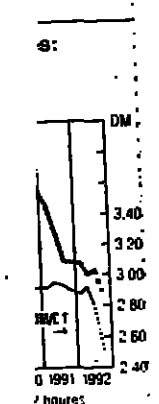
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Hanoi Brings Out an Old Weapon to Nudge U.S.

By Philip Shenon

New York Times Service

HO CHI MINH CITY — A generation ago, the Vietnamese learned how American public opinion could help end a war.

Now they are trying to apply that lesson in reviving a peacetime economy that remains among the most backward in Asia, backward in no small part because of a 17-year embargo that is one of the last vestiges of the Vietnam War.

The Vietnamese want the embargo lifted. And this time, on the battlefield of public relations, Hanoi enjoys the support of former adversaries in the U.S. government and business establishment; many there think it is time to normalize relations. This time, Hanoi's leaders know, it is elements of the U.S. public that must be persuaded.

The Vietnamese say their decision last month to open up war museums and military archives to inspection by the U.S. government was entirely a humanitarian gesture intended to help the Defense Department determine what happened to 2,265 Americans still unaccounted for in Indochina.

But as they met with a delegation of senators and Pentagon officials who traveled to Vietnam recently to

discuss the search for the missing, Vietnamese leaders pressed hard for the Americans to urge President George Bush to lift the trade embargo before he leaves the White House in January.

On the U.S. side, the Bush administration, Congress and American business leaders seem eager, on the basis of Vietnam's opening, to ease the U.S. economic embargo imposed after South Vietnam fell in 1975. In a letter to President Le Duc Anh, Mr. Bush hinted that he would relax the embargo in exchange for continued cooperation.

Senator John F. Kerry, Democrat of Massachusetts, and a Vietnam veteran who is chairman of the Senate Select Committee on POW-MIA Affairs, said he and Senator Thomas A. Daschle, Democrat of South Dakota, and other members of the senatorial mission had received significant cooperation that merited "reciprocity."

"We're not talking about normalization, that's further down the road," Mr. Kerry said. "But there has to be some movement on the embargo. Otherwise this process will grind to a halt."

U.S. investigators had similar views.

"We're delighted with this new cooperation," said Lieutenant Colonel Jack Donovan, the senior Pentagon investigator here.

The Vietnamese want to talk and, more important in

Hanoi, they want to trade — a desire shared by scores of American corporations that see Vietnam as the last great untapped business opportunity in Asia, a nation of 70 million people known for their industriousness and high educational standards, and whose labor is as cheap as any on the continent. The average household income in Vietnam is less than \$300 a year.

Boeing wants to sell jets to Vietnam. Citibank wants to do banking. Mobil Oil wants a chance to bid on tracts for offshore oil drilling. All have sent representatives to scout out future business.

An end to the embargo would also permit the World Bank and the International Monetary Fund to pour billions of dollars into basic service projects in a nation still largely without telephone service, reliable electricity and paved roads.

This month Japan said it would resume development aid to Vietnam. Business people from Taiwan, Hong Kong, South Korea, Malaysia, Thailand, Australia and France have been investing in Vietnam for years.

If the United States does not move quickly to establish diplomatic ties, American business leaders fear, they will lose the Vietnamese market forever, surrendering a country once thought so important to American interests that the United States went to war over it.

ATTACK: Firebomb Kills 3

(Continued from page 1)

Karl-Heinz Rohm, was drinking at a Wuppertal bar when the skinheads, 18- and 24-year-old members of a neo-Nazi group called the National Front, involved him in a political argument, prosecutors told the German news agency DPA.

After Mr. Rohm reportedly called the skinheads "Nazi swine," the bar owner said, "That is a Jew!"

Prosecutors said the skinheads then threw Mr. Rohm off his stool, trampled him with their heavy boots, broke nearly all his ribs, doused him with schnapps and lit him afire. With help from the bar owner, the skinheads then dragged Mr. Rohm into the bar owner's car, drove him over the nearby border and left him to die.

German prosecutors said that Mr. Rohm was not Jewish. An official at the Central Council of Jews in Germany said that the man had referred to himself as "half-Jewish."

A spokesman for the Dutch Ministry of Culture told Reuters that the murder of Mr. Rohm "goes beyond every limit" and is "a very gruesome signal that racism is gaining ground."

Dutch broadcasters and newspapers, often quick to condemn German society, treated the murder as their top story. "This shows how little is 'neo' in 'neo-Nazi,'" said the newspaper Het Parool.

In Molln, Berlin and other German cities, several thousand Germans and Turks took to the streets Monday night in silent marches and noisy protests to show sympathy for the victims of the firebombings and anger at the continuing violence.

The post-midnight arson in Molln elicited a sharply worded statement from the Turkish government, which asserted that Germany had not acted with sufficient force to punish those who attacked foreigners.

Those who murdered these innocent Turkish citizens, who lived in this country for many years and contributed to Germany's affluence and progress, have committed a crime against humanity," the Turkish government said.

Although the murder victims had lived in Germany for much or all of their lives, they remained Turkish citizens. Even second- and third-generation Turkish-Germans who have never set foot in Turkey are not eligible to become German citizens without going through a long and complicated naturalization process.

Interior Minister Rudolf Seiters called for a ban on far-right political groups. Germany already bans Nazi-style groups it considers unconstitutional, but most of the neo-Nazi groups now active in the country are too small, too new or too careful to stay publicly within legal bounds to be banned.

Neo-Nazi leaders say their groups cooperate loosely with one another even as they compete for membership and influence. Although all neo-Nazi leaders disavow knowledge of violent attacks, Germany's domestic intelligence agency says the groups have organized a "national commando structure" to coordinate attacks on asylum-seekers and other foreigners.

Kohl Talks of 'Disgrace'

Chancellor Kohl said on German television: "This is a terrible experience for every law-abiding and decent person in Germany. In fact, I can say it is a disgrace for our country." Mr. Kohl's speech was reported by Reuters from Molln.

"I hope the culprit will be apprehended as quickly as possible and face the full force of the law," he added. "What has happened here is an act of brutality incomprehensible for humanity."

President Richard von Weizsäcker summoned all Germans to stand up against violent rightists.

"We Germans have reason for sorrow but not for resignation," he said in a statement.

Thousands of Germans quickly took to the streets to protest xenophobia after the attack on Monday, in contrast with most past demonstrations that were organized weeks in advance by political organizations, Reuters reported from Bonn.

About 5,000 people staged a silent march in West Berlin, sponsored by the city's 140,000-member Turkish community and local Green Party leaders.

Demonstrators shouted "hypocrite" when a government official in charge of foreigner affairs spoke to the crowd.

Muslim Soldiers' Graves Are Vandalized in France

Reuters

PARIS — The tombstones of 58 French Muslim soldiers were vandalized at a military cemetery in the eastern French city of Mulhouse, local officials said on Monday.

The Defense Ministry said the incident was an insult to the history of France and to its army. A spokeswoman for the city said the desecrated graves were discovered on Sunday during a ceremony commemorating the town's liberation from German occupation during World War II.

Although Muslim tombstones were kicked over or broken, the graves of 400 Christians and Jews buried in the Vallon cemetery were undamaged, she said. In recent years there have been several incidents of desecration of Jewish cemeteries in France, but this was believed to be the first time Muslim graves had been vandalized.

In Rome, meanwhile, the police said Monday that they had foiled an attempt to desecrate a Jewish cemetery in Naples.

The chance arrival of a police patrol scared off a gang who had begun dismantling scaffolding erected to support three dilapidated tombs in the cemetery, which has not been used for 20 years. The gang left a bottle of gasoline behind.

ORBIT: Demand for Spy Satellites

(Continued from page 1)

Reconnaissance Office at the Pentagon, which develops and operates the nation's surveillance satellites, said that their spread could ease governmental tensions around the globe by substituting realistic appraisals for military speculation.

But he said the United States should pick customers carefully.

"We need to differentiate between the arms of the world and the South Korea," Mr. Mark said. "Any nation that puts a price on the head of an author is not civilized, and our political judgments need to be made in that context."

But William E. Burrows, the author of "Deep Black," a book about space espionage, said any sales were "a terrifically bad idea" and could raise the risk of nuclear war.

"Reconnaissance and nuclear missiles go hand in hand," he said. "If we sell this stuff, we'll enable the buyer or anybody who deals with them to do precise targeting. It doesn't have to be a ballistic missile or an atomic bomb to be a dangerous weapon."

Federal officials in the departments of State, Commerce and Defense, as well as the nation's intelli-

gence agencies, are said to be deadlocked on whether to approve such sales.

But a U.S. reconnaissance expert said he sensed that influential elements of the bureaucracy were leaning toward approval. "It's going to be pitched in Clinton's lap," the expert added. "It's a big deal that needs to be looked at very carefully."

Today only the United States, Russia and China have reconnaissance satellites, with all three nations striving to keep the placement and exact power secret so rivals are less likely to be able to evade espionage. The best U.S. satellites are said to be able to see objects as small as a baseball, although such claims have been disputed.

Nations now trying to develop such craft are said to include France, Britain, Italy, Spain, Israel and India. But building from scratch can be enormously expensive. Experts say it can cost several billion dollars to establish a launching site, build rockets, develop the spacecraft, construct a ground control network, buy the necessary computers and software and maintain a staff of photo interpreters.

BEARS: Polarization in Canada

(Continued from page 1)

grain to Europe, would be another heavy blow.

Cape Churchill, about 30 miles (45 kilometers) east of town, is the staging point for the bears' winter feed.

Forced off the Hudson Bay ice by the spring melt and then denied their staple food, the bears now have eaten little for months. Their body weight is down by a third.

"By instinct, they know that cold weather means freeze-up time, and they'll soon be able to get out on the ice again and gorge on seals," said Dr. Charles Jonkel, a bear biologist at the University of Manitoba, who since the mid-1960s has been coming here to study *Ursus maritimus*, as the polar bear is classified.

Bears choose Cape Churchill, he said, because fresh water flowing from the mouth of the Churchill River, site of the town, freezes first. The prevailing winds push that ice toward the cape.

While they are waiting around for the ice to freeze, the hundreds

of bears that have trudged in from the denning area of lakes and forest to the south and west not only keep Mr. Jonkel busy in his jailhouse, but also raise the general level of trepidation.

"Polar Bear Alert," signs warn. "Don't Walk in This Area." If you must, you are urged to pass cautiously around corners and always look behind. "Polar bears that hunt and kill do not give warning," writes Lance Olsen, a reporter for Bear News.

Anyone sighting suspicious-looking shapes is urged to dial 675-BEAR, the hot line that sends Mr. Jonkel or one of his five Manitoba Department of Natural Resources deputies out with a rifle that shoots tranquilizing pellets. Once comatose, the animal is hauled off to jail.

In 1994, on Kelsey Street, Churchill's street, a polar bear killed and partly ate a man. Since then, there have been at least three sightings, though none of the victims have been tourists.

Several days ago, a bear ate a dog.

BORDERS: Free Movement for Goods and Services, but Not for People

(Continued from page 1)

in demanding that it dismantle passport controls, even for West Europeans.

In theory, these two issues are unrelated. The agreement to form a single market and to remove internal borders dates from what is known as the Single Act of 1987, while the union treaty concluded last December in the Dutch city of Maastricht was intended to create a single currency by 1999.

In the minds of many Europeans, however, the two processes have become confused, not least because while the Single Act was approved with minimal public attention, the treaty has touched off soul-searching and new doubts about the whole notion of unity.

As a result, the Maastricht debate has been convulsed by issues supposedly settled in 1987. When the Danes rejected and the French only narrowly approved the Maastricht treaty in referendums this summer, many voters voiced fears of "open borders."

With the fate of the treaty still in doubt, then, the EC is understandably eager to lift its morale

by trumpeting the arrival of the single market on Jan. 1. And except for the unresolved border question, the Community has achieved most of its objectives.

Not only will goods, services and money circulate freely among the 340 million residents of the 12 countries, but in the name of ensuring free and fair competition, laws have been adopted to standardize banking laws, quality controls, industrial emissions and sales taxes, as have measures to control government subsidies and combat monopolies.

Further, as a step toward the free movement of people, citizens of any Community country are already permitted to reside and work anywhere in the region after going through passport controls.

By 1989, however, it became apparent that the 12 would have difficulty agreeing in time to eliminate passport controls completely.

Britain was the first to resist and, because of special agreements between London and Dublin, Ireland was tied to Britain's policy. Soon Denmark also indicated that it had problems with the plan.

In response, France, Germany, Belgium, the Netherlands and Luxembourg signed a separate agreement in June 1990 to move ahead without waiting for the others. They were later joined by Italy, Spain, Portugal and, this month, Greece. They originally set Jan. 1, 1993, as their deadline for ending passport controls.

Even for the nine countries, though, the plan to remove border controls is on hold. The agreement can enter into force only after ratification by the original five signatories.

France and Luxembourg have ratified the accord; Belgium and the Netherlands may follow suit by Jan. 1. But before Germany can ratify the accord, it must amend its constitution and limit the current right of foreigners to claim refugee status simply by demanding asylum. This issue is bogged down in intense debate between Germany's main political parties.

Interior Ministry officials in Spain, which currently holds the rotating presidency of the group, said the hope was that the agreement could enter into force by mid-1993, with the removal of controls at land borders likely to occur first.

Major Starts Tour On Continent to Press EC Growth

Reuters

LONDON — Prime Minister John Major began a tour of European capitals on Monday, beginning in Brussels, carrying proposals to put European Community economic growth high on the agenda.

Senior British officials said Mr. Major had accepted that prospects of EC-wide growth should be featured at the summit meeting of Community leaders in Edinburgh on Dec. 11-12.

Britain wants the summit meeting to make progress on plans to enlarge the Community, better define the principle of "subsidiarity," or decentralizing decision-making, EC financing, and completing the EC-wide single market.

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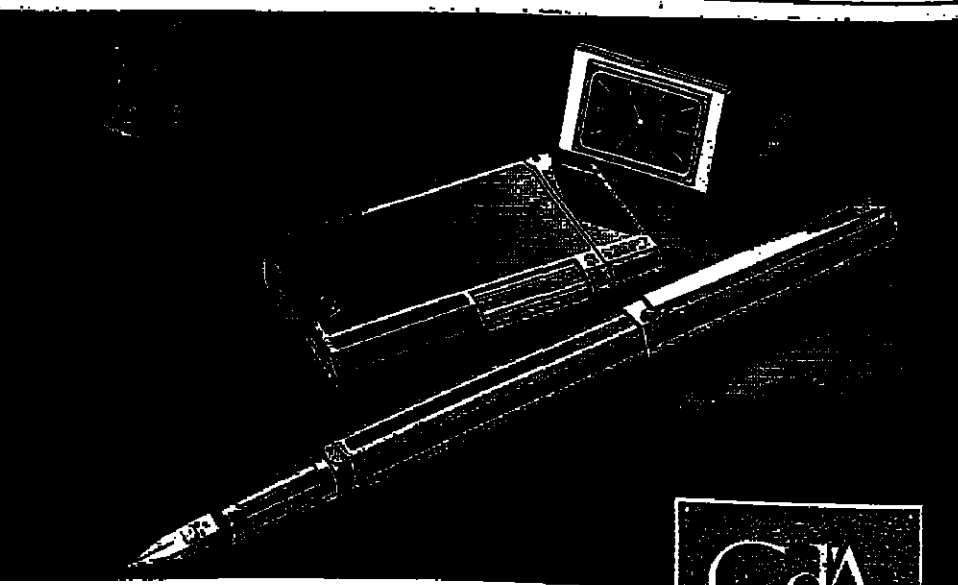
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A crowd watching Monday as a Coca-Cola vending machine set afire by protesting farmers burned in Besançon, in eastern France.

French Farmers Hit Symbol of America

300 Seize a Coca-Cola Plant

PARIS — About 300 French farmers protesting a trade deal between the European Community and the United States briefly occupied a Coca-Cola plant south of Paris on Monday.

A local government office spokeswoman said the farmers entered the factory courtyard in the suburb of Grigny about 8 A.M. They began dispersing peacefully about two hours later.

She said there was no violence and no damage to the plant, but added that the factory manager stopped production lines during the protest as a precaution.

At Valenciennes, in northern France, about 100 farmers burned 12 piles of hay representing the member states of the European Community before setting fire to an EC banner and a British flag.

The farmers also smashed bottles of Coca-Cola but dispersed as riot police arrived at the scene. No arrests were made.

A spokesman for Coca-Cola said that the protest at the Grigny plant had been carried out in "good spirits."

"We understand that Coca-Cola might be considered a symbol of America," said Cyrille de Salaberry, director of public relations, "but people should remember our company's long history of investment in France."

He said that Coca-Cola's French plants, which export part of their production to other European countries, use about 100,000 tons of French sugar a year.

French farmers angered by last Friday's accord until now had singled out the McDonald's fast-food chain as a focus for protests against the United States. Farmers fear the trade deal will cut into their livelihoods because it restricts the export of subsidized goods and cuts oilseed production.

In Belgium, farmers in the French-speaking Walloon region demonstrated against the accord in several cities.

Farmers led processions of tractors and blocked roads in Liège, Mons and Namur. Two McDonald's restaurants, one in Namur and one in Liège, were forced to close when protesters assembled outside, a company spokesman said.

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Taxpayers to Pay Windsor Fire Repair

Compiled by Our Staff From Dispatches

LONDON — Brushing aside scattered protests from opposition legislators, the government confirmed Monday that it would pay for repairing fire damage at Windsor Castle.

"Resources will be provided to restore this most precious and well-loved part of our national heritage," said the Heritage Secretary, Peter Brooke. He told the House of Commons that the government's legal responsibility was settled in 1831.

But Ann Clwyd of the opposition Labour Party urged that Queen Elizabeth II pay part of the bill.

"While there is a great deal of public sympathy for the monarch, there is legitimate public concern that the total cost of repair should not be paid exclusively by the taxpayer," she said.

A Conservative lawmaker, Toby Jessel, citing a speculative figure of £60 million pounds

(\$90 million) for repairs, said this would amount to little more than one pound for each of the country's 57.5 million people.

"I know of no one who would resent paying such a sum to restore a vital part of Britain's heritage," he said.

The fire department that put out the flames said Monday it did not know what had started the blaze, though reports in several British newspapers blamed an art restorer.

They quoted unnamed fire investigators as saying the restorer had accidentally sprayed inflammable fluid used for cleaning paintings on a halogen lamp, starting the fire Friday.

But the Royal Berkshire Fire and Rescue Service said it had not established the cause, and dismissed the newspaper reports as speculation.

The fire destroyed St. George's Hall and other rooms at the northwest corner of the castle, but Mr. Brooke indicated Monday

that the losses of royal treasures were lighter than had been feared.

"One picture, one sideboard and an antique carpet appear to have been lost," he said.

Buckingham Palace officials said the disaster could have been far worse had it not been for a stroke of luck that spared virtually all the world's largest private art collection. They said the seven most seriously damaged rooms had been emptied of artworks for electrical rewiring before the blaze began.

The picture that was destroyed was a portrait of George III, which survived the monarch's order to burn it two centuries ago. It was painted by Sir William Beechey in 1797-98. The king so hated the portrait, which showed him accompanied by his son, the Prince of Wales, reviewing troops, that he demanded it be burned. His courtiers ignored him, and the king did not persist with his demand. (AP, Reuters)

Iran Puts First of 2 Russian-Made Submarines Into Gulf Fleet

Compiled by Our Staff From Dispatches

TEHRAN — A submarine bought from Russia joined the Iranian fleet in the Gulf on Monday, Tehran radio reported.

The vessel, named Tariq 901, is the first submarine to serve in the navy of a Gulf nation. It arrived at Bandar Abbas, a port on the Strait of Hormuz, earlier this month.

"The Tariq submarine, after

traveling thousands of nautical miles, this morning officially joined the Iranian Navy at Bandar Abbas," the report said.

Iran bought the Kilo-class attack submarine, one of the largest conventional-powered submarines built by the former Soviet Union, for a reported \$600 million. The sale worried Western powers, who said it could complicate the delicate strategic balance in the Gulf.

On Monday, Iran's acting navy commander, Rear Admiral Abbas Mohtaj, criticized Western powers for focusing on the deal and said the submarine would be used only for defensive purposes.

"The enemies of the Islamic revolution have raised a lot of noise," Admiral Mohtaj said, "but their aim is to create a huge arms market for their weapons in the region."

The submarine is the one of two that Iran bought from Russia. The second is under construction. Tehran has an option to buy a third.

The vessels are likely to be based at a naval base under construction at Chah Bahar, on the Gulf of Oman, 100 kilometers (60 miles) west of the Pakistani border.

From there, the submarines

would have access to the deep waters of the Gulf of Oman, the Arabian Sea and the Indian Ocean.

The Gulf's shallow waters are not suitable for submarine warfare because the vessels can be easily detected there.

The Kilo-class submarines' main armament is 18 torpedoes. (Reuters, AFP, AP)

The picture's not complete without



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Herald Tribune

Published With The New York Times and The Washington Post

A Victory for Trade

In a triumph for common sense, Americans and Europeans have now found a solution to the ugly quarrel over farm subsidies that was beginning to threaten great damage to both. The oilseed case is closed, and the trade war is off — unless France now chooses to explode the agreement. But perhaps the angry talk from Paris will turn out to be for the benefit of a domestic audience. Since it was the European Community that negotiated this deal, a veto by France, a founding member, would inflict immense harm on the Community itself. The quarrel now is not between France and the United States, but between France and its European partners that support this settlement.

The basic issue is the use and misuse of farm subsidies. All of the industrial countries are sinners, but the Europeans are the worst. When the Uruguay Round of worldwide trade negotiations began in 1986, the Reagan administration horrified the Europeans by pressing a truly radical idea — to abolish all farm subsidies that distort markets. What you are seeing now is the outcome of that collision.

The Americans have accomplished less than they had hoped. No subsidies will vanish. In one sense, not much has happened. But in another, there has been a real transformation. The Europeans, with their love of carefully managed and insulated markets, have come a great deal further than seemed remotely possible at first. The European Community has accepted the principle of restrictions where there have

been none, and enforcement of the rules. The outrageous thing about the oilseed case was not that the Europeans had broken the agreed rules of farm trade but that, cowed by the French farmers' lobbies, they refused to do anything about it. The settlement in that case is a bit less than the American negotiators had wanted, but in return for concessions there they have obtained two enormously important goals. The European Community has agreed to binding arbitration of future grievances like that one, with the judgment to go into effect automatically. Compensation can no longer be blocked by one government. Even more important, the Europeans have now agreed to limit and roll back their export subsidies, which have been at the center of the long deadlock over trade reform. Because the European Community has its farm price supports up much too high, it generates huge surpluses that it then dumps abroad by providing as much subsidy as necessary to undercut world prices.

Resolution of the farm quarrel would open the way to finish the Uruguay Round, in effect writing a fairer and greatly broadened rule book for trade. It would widen markets throughout the world for many industries including, for the first time, services like finance and telecommunications in which the United States is a strong competitor. These agreements can bring the Bush administration to an end with an achievement lifting American prosperity for a very long time to come.

— THE WASHINGTON POST.

United Nations at Issue

A major political step has been taken with the unanimous Security Council decision to impose a mandatory arms embargo on Liberia. Earlier efforts to contain and settle the conflict there were largely in the hands of states of the region. By the resolution the United Nations announces that it is coming directly to the political aid of the seven-nation West African peace-keeping force that has been struggling to put down the rebellion of Charles Taylor. Nigeria's foreign minister expressed the hope over the weekend that the new resolution would gain the strength and morale of the Taylor forces and signal "the beginning of the end" of one of Africa's most savage civil wars. The arms embargo is intended to cut off weapons to the Liberian parties but not to the peacekeepers.

As it happened, these new moves to engage the United Nations more deeply in Liberia were taking place just as Secretary-General Butros Butros Ghali was calling for fresh attention to the United Nations' own

paradoxical situation. Member countries continue to heap on demanding new tasks, he said in an interview in The Washington Post on Sunday, even as they restrict the resources and flexibility the organization needs to meet these responsibilities. The secretary-general has a point. The dispute-solving functions of the United Nations are on view, and under test, around the world. It flatters the organization, even as it burdens it, that the cases the members usually bring to it are the tough ones, the ones they cannot resolve on their own. But the old Cold War habits of parsimony and tight national control linger. Internal reforms are necessary, but member states do not supply the United Nations in a timely way with the full range of means, including money, personnel, arms and political flexibility.

Down this road lies a potential crisis of post-Cold War internationalism. The United Nations needs to be reformed; it cannot be left to be swamped and starved.

— THE WASHINGTON POST.

Recognize Macedonia

Diplomacy still has a chance to prevent the Balkan fire storm from spreading to the former Yugoslav republic of Macedonia. President George Bush ought to heed the advice of Senator Dennis DeConcini and Representative Frank McCloskey, just back from a trip to Macedonia sponsored by the Conference on Security and Cooperation in Europe. Their recommendation: "International recognition of that country would be the right thing to do, and it should be done immediately."

Last January, a European Community commission found that Macedonia met Europe's formal standards for recognition. Yet 10 months later Macedonia remains unrecognized by most of the West. The reason? Greece's unjustified demand that the republic change its name. In ancient times, Macedonia, homeland of Alexander the Great, was culturally Greek. More recently, rival claimants have fought over and divided it. The Republic of Macedonia renounced all claims to what is now Greek Macedonia, as Athens rightfully insisted. But Greece invites bloody mischief by pressuring Macedonia to renounce the name that defines it as a distinct country with

established boundaries. That could tempt Serbia or Bulgaria to assert old territorial claims. Even a name like Slavic Macedonia could antagonize the non-Slavic Albanians who make up a third of the population. Having seen what happened to Bosnia, Macedonia is desperately determined to avoid being partitioned or swallowed by expansionist neighbors.

Greece's demand is not supported by any recognized doctrine of international law or practice. Until now, Greece's fellow members of the European Community have deferred to its wishes out of diplomatic courtesy, and the United States has gone along in deference to its NATO links with Athens. But the stakes have grown too high for this diplomatic minuet: the risk of war spreading to Macedonia grows frighteningly real.

Smaller European countries now talk about breaking ranks and recognizing Macedonia. A move by President Bush could encourage the main European powers to do the same. Recognition alone will not guarantee the republic's peace, but, as Senator DeConcini and Representative McCloskey point out, it is an essential first step.

— THE NEW YORK TIMES.

Other Comment

The Maastricht Express

The Maastricht train to monetary union is having an ever more uncomfortable journey. The front is still clattering along, carrying Germany and its currency clones in Belgium, Holland and Luxembourg, as well as the French. The coaches behind, carrying the Irish and the Danes, are wobbling on the tracks. Spain and Portugal have become uncoupled and can continue only if they travel very slowly. Britain, Italy and Greece are off the track. Subotons in the currency markets could still derail the French carriage. If they do, there is little point in the single journey at all.

A multi-speed Europe is already inevitable. But devaluation has also given southern EC countries as well as Britain an economic advantage which their neighbors are preparing to attack as anti-communism. France fears a flood of cheap imports from Italy. The peseta and escudo devaluations will add to its concerns. As Europe goes its differing ways to monetary union, it is beginning to look as though the fabric of the Single Market itself may not bear the strain.

— The Daily Telegraph (London).

The concept of a linear advance toward economic and monetary union, foreseen in

Maastricht, is in the process of disappearing. Some countries are now taking a path quite opposite to that laid out in the treaty. That is the case of Britain, which, before leaving the European Monetary System, chose a policy of low interest rates and the devaluation of the pound to stimulate economic growth. Other states, without turning their backs on Maastricht, are demonstrating the difficulties of carrying out economic and monetary unification on the road toward a common currency. Such is the case of Italy, Spain and Portugal. European leaders, under pressure, have agreed to implement a more flexible system, allowing frequent readjustments of parities — another path, perhaps not the worst, toward economic and monetary union.

— Le Monde (Paris).

Yeltsin's Trip to Seoul

For Russia, South Korea remains a model — a model close to Russian realities and to the post-Communist mentality of the Russian. Seoul's authoritarian style in the economy fits into the Russian tradition. South Korean society is egalitarian without a marked gap, manifest in the West, in the incomes of different parts of the population.

— Kurant (Moscow).



Planning an American-Led Stand Against Milosevic

By Lally Weymouth

WASHINGTON — Bush administration officials are now focused on stopping the genocidal campaign of Slobodan Milosevic from spreading to Kosovo. The southern Serbian province appears to be Mr. Milosevic's next target.

In recent weeks, the Serbian army has increased its presence, conducted military maneuvers and provided small arms to Serbs in the province. The stage seems to be set for another Serbian-inspired bloodbath.

If Mr. Milosevic attacks Kosovo, U.S. officials expect some of the poorly armed Albanian inhabitants to resist while others become refugees, fleeing into Macedonia, Greece and Albania. The danger arises that the conflict would spark a wider war, bringing in Macedonia, Albania, Bulgaria, Greece and even Turkey.

After far-reaching discussions with U.S. allies and the United Nations, several high-ranking Bush administration officials maintain that a consensus has been achieved: Washington needs to make what one official characterizes as a "substantial effort" to convince Mr. Milosevic that there is U.S. resolve on the question of

Kosovo, notwithstanding the transition from George Bush to Bill Clinton. Washington's failure to act during the slaughter in Bosnia has, of course, complicated this task by undermining American credibility.

If a warning fails to control Mr. Milosevic, then, as one official put it, "we'll have to do something tough — a really serious action is in order." At present, one favored option is deployment of an international peacekeeping force to Kosovo under UN or NATO auspices. Another is strengthening the international monitors already on the ground in Kosovo.

It is unclear whether such actions would be sufficient to get Mr. Milosevic to abandon designs on Kosovo, unless they were backed up by the threat of the use of force. Some in Washington argue that such a deployment might incite an Albanian uprising in Kosovo directed against the repressive Serb minority there.

In the Bush administration's twilight weeks, policy planners hope to execute a delicate maneuver, deterring Mr. Milosevic without triggering

a demand by Albanians in Kosovo for independence. An alternative favored by some military planners is arming the victims of Mr. Milosevic — Albanians in Kosovo, Bosnian Muslims and even the Croats — to enable them to defend themselves.

U.S. officials also are contemplating having an international or NATO force bomb limited military targets inside Serbia to reduce the military edge that Mr. Milosevic now enjoys.

A key date is Dec. 20, when Mr. Milosevic faces an election in Serbia. He might well attack Kosovo before the election if political developments appeared to bode ill. Alternatively, of course, should he win easily he might be emboldened to launch a full-scale post-election attack on Kosovo.

This crisis highlights a failure of leadership on the part of the European Community. Washington has deferred to its European allies with respect to the Balkans. The net result has been utter passivity.

Macedonian President Kiro Gligorov, who recently visited the United States, freely expresses his fear that

war in Kosovo would spread to his struggling country. He has asked Secretary-General Butros Butros Ghali to deploy UN peacekeeping troops along the Kosovo-Macedonia border.

Thousands of refugees are fleeing into Macedonia from Bosnia. Meanwhile, because of Greek pressure, the European Community and the United States refuse to give Macedonia international diplomatic recognition. Thus the small country lacks access to international funds and investment.

If Mr. Milosevic spreads his campaign to Macedonia, as Mr. Gligorov fears, the Serbian crusade will likely trigger a wider Balkan war. "None of the neighbors will remain dispassionate," the Macedonian leader says.

In spite of the newly freed up international naval blockade of Serbia, few believe that sanctions will be any more effective against Mr. Milosevic than they were against Saddam Hussein. To work they must be accompanied by a credible threat to use force. Let us hope that President Bush and President-elect Clinton find it possible to approach this crisis in a truly bipartisan fashion.

The Washington Post.

The Young Balkan Casualties May Never Recover

By T. Berry Brazelton

BOSTON — Like many children I have seen, 8-year-old Ilyona blames herself for her parents' divorce. Unlike other children, this little girl with intense brown eyes and a boyish haircut blames herself for the violence and brutality that have enveloped the former Yugoslavia.

Ilyona's mother is a Croat, her father is a Serb and the way she sees it, "if they hadn't gotten

These boys and girls have seen a corrosion of the human spirit to the surreal point at which ordinary people inflict cruelty that most of us couldn't imagine.

divorced, this war would never have happened." Ilyona and her grandmother fled Serbian-controlled territory for the safety of Zagreb this summer by train. The train was stopped by Serbian soldiers, who questioned the passengers for hours and then raped many of the girls. Fortunately for Ilyona, she was too young to be raped, but she did have to watch.

I met Ilyona this fall while touring the republics of the former Yugoslavia with James P. Grant, executive director of Unicef, and two other pediatricians. We were there to evaluate the psychological condition of children and to determine their

needs. Ilyona is a typical example of how the children are disturbed on several levels.

Aside from feeling responsible for the ruin of her family and country, she is unable to trust anyone, since her own father is considered the enemy. She is reluctant to let her grandmother out of her sight, for fear she will never return. This trauma is in some ways more sinister than any physical damage. Wars end. A wound to the body can be clearly diagnosed and treated. But emotional destruction can debilitate for a lifetime. It obscures itself in the darkness of the psyche, ready to be revived.

The children we saw in the refugee camps seldom play or interact, giggle or argue. What they have seen consumes them.

Like children in Nazi Germany, or in Cambodia under Pol Pot, these boys and girls have witnessed a corrosion of the human spirit to the surreal point at which ordinary people inflict on one another kinds of cruelty that most of us could never imagine.

At a camp near Zagreb I met a 5-year-old boy who kept swatting at imaginary flies. His grandmother told me why.

When Serbian soldiers ravaged their village, a neighbor informed them that the boy's older brother was hiding in a cellar. The soldiers captured him and, in front of his family, cut off his hands, shot him and left him to die. Then

they dragged out his pregnant wife, cut out her fetus and hanged her. Neither could be buried because the Serbs shot anyone who came out of the house. The small boy watched for days as the corpses became covered with flies.

As the camp, he continued to shoot flies during the day and woke up screaming at night. Unicef will try to get counseling for these children, but it will be impossible to do so until the war ends. It will be difficult to rehabilitate them without also counseling the adults.

The children sense their parents' depression. When I held up one baby to show his mother his instinctual attempts to walk, she hid her face. "What will he grow up to?" she asked. "I don't want him to grow up."

To combat the approaching winter, Unicef negotiated a cease-fire for the first week in November and was able to deliver high-protein food, clothing, blankets and medicine to about 200,000 children. The response was tremendous: One group, Church World Services, donated \$1 million worth of blankets. But more donations are needed.

These goods certainly will not make children like Ilyona emotionally whole again, but they will provide the one thing these people need most — hope for the future, hope that there are people out there who care.

The writer, a pediatrician and professor emerita at Boston Children's Hospital and Harvard Medical School, contributed this to The New York Times.

Taiwan: Opening Up and Arming at the Same Time

By Philip Bowring

TAIPEI — It is a paradox which defines a bigger paradox. Taiwan's businessmen are rushing to shift production to mainland China where labor costs are low. Money, people and goods are moving across the Taiwan Strait (via Hong Kong) in increasing volume.

Yet in the past few weeks the government in Taipei has concluded deals to buy 210 fighter planes worth some \$8 billion from the United States and France to protect itself from the competitors across the Strait.

These are spectacular deals by any standard, and particularly for a territory of 20 million people, albeit with exchange reserves of \$80 billion.

In the supplier countries, these deals are viewed in the context of job creation or of impact on relations with China. But whatever their motives they have a profound significance not just for Taiwan but also for East Asia. The fact is that although East Asia is the world's focus of trade and investment growth, it is also the focus of the biggest arms race in the world.

In this connection, the aircraft sales should be welcomed for their modest contribution to righting a dangerous and fast growing imbalance. They are in fact long overdue. They would have happened years ago but for the blind enthusiasm, whether driven by greed or by idealism, that has characterized Western, and especially American, responses to the Deng regime. As with Iraq's opposition to Iranian fundamentalism, so China's obsessions toward the marketplace have gained it favors beyond number.

Taiwan had been trying to buy modern planes to replace an aging fighter fleet since Jimmy Carter was in the White House. That it has succeeded seems at first sight due more to a coincidence of factors than to any great change in strategic perceptions by the vendors. One determin-

ing factor appear to have been the election needs of George Bush — delivering job security to General Dynamics workers in Texas.

France's decision (still not officially confirmed) appears to have been a consequence of the dire economic straits of Mirage maker Dassault. The deal is probably even bigger than so far mentioned.

Sources in Taiwan suggest that there is an option on another 60 Mirages, but both sides are proceeding cautiously, trying to limit the inevitable Beijing threats of retaliation.

The United States appears irritated that Taiwan has opted for the Mirage 2000s as well as the F-16s. The French planes are closer to state-of-the-art technology than anything the United States has been prepared to offer. Although the Mirages will be delivered first, the F-16s are of an older design. Another source of annoyance to the United States is that Washington, which has long treated Taipei as a puppet on a string, will lose the leverage of being its sole warplane supplier.

American irritation is partly real but may be partly for effect. After all, both the United States and France are contributing to the other key feature of Taiwan's defense buildup — its plans to buy, lease or build up to 30 frigates to strengthen the island's naval capability.

Two other European countries, Germany and the Netherlands, hope for contracts to expand Taiwan's

submarine fleet from two to six or nine by the end of the decade. The Dutch would probably have done a deal already but for hopes of a big Fokker plane deal with Beijing.

As for the United States, its policy seems to be shifting away from Beijing even before President Bush leaves the White House. The Nov. 19 announcement of an impending visit by a cabinet-rank U.S. official, Trade Representative Carla Hills, suggests that Washington may now be putting commerce before China politics in its dealings with Taiwan.

It is not clear how far the West may be driven by a need for arms contracts at any price, a warning of inflation with China market prospects or an acknowledgment that East Asian imbalances should not continue to grow. Taiwan has the additional lure of a mammoth civil infrastructure program now under way. Bonn, which in recent years had kept Taipei at a distance, last week sent Economics Minister Jürgen Möllemann on a mission to drum up business.

But whatever the motives, only China is likely to object to the arms deals. In Taiwan the fighter purchases are especially popular — even more so among the opposition — despite the high cost. In Japan and among the ASEAN states there is some concern about the arms buildup in the region, but no one sees Taiwan as a threat. Any antidote to China's growing ability to project itself militarily is likely to be welcomed.

Not only has Beijing this year been emphasizing its claims to the whole South China Sea, it is gradually acquiring the means to enforce those claims should it wish to. This naturally frightens all the other littoral states. China's acquisition of SU-27 long-range fighters means it can extend its air reach all over the claimed sea. If it succeeds in its ambition to

acquire a so far half-built aircraft carrier from Ukraine, it could further underline these claims.

There is the possibility that China may use the Taiwan sales as an excuse for further spending of its own on sophisticated weapons. But Taiwan is probably not top of Beijing's list of strategic priorities.

The threat to invade the island if Taiwan declares independence may well be for real, but no one, including China, expects Taiwan to take that gamble. Its weapons are essentially to protect the status quo of de facto independence and strengthen its hand in bargaining with the mainland should reunification get closer to reality.

International Herald Tribune.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Sweeping the Sea

MOSCOW — The Moscow Gazette has published an article giving an estimate of the comparative strength of the great naval powers in which only 30 warships of the new type, which alone fulfills modern requirements, are assigned to England as against 45 to France and 19 to Russia. The following conclusions are arrived at: "With God's help, we, together with France have strength enough on sea to cope with the Triple Alliance, since the ships of Austria are few and unwieldy, those of Italy, if more numerous, are of a yet older type. It appears England and the Triple Alliance will think France and Russia together will sweep the seas."

1917: Trotsky Hostile

PETROGRAD — Trotsky, the Marxist Commissary of Foreign Affairs, has decided to publish without delay Russia's secret treaties with her Western Allies, and to do so without consulting the Entente representatives, thus giving his act the character of a hostile demonstration toward the Allies. At the same time Trotsky has given orders to the generalissimo to commence negotiations with the enemy commanders on the Russian front.

1942: A Blow for Vichy

WASHINGTON — [From our New York edition:] Secretary of State Cordell Hull announced today [Nov. 23] that the United States has concluded an agreement with Admiral Georges Robert, French High Commissioner for the Western Hemisphere. Mr. Hull said that as a result of this accord there was not likely to be any necessity for American occupation of Guadeloupe, or French Guiana. Mr. Hull's announcement came at the same time as news from Algiers that French West Africa has placed itself under the orders of General Jean Darlan, who is co-operating with the Allies in North Africa.

Perhaps the V... Finally S...

By Barber

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OPINION

Perhaps the Virus of Hatred Will Finally Stop Spreading

By Barbra Streisand

LOS ANGELES — The moral immune system of the United States has been weakened and attacked, and the AIDS virus is a perfect metaphor for it.

The malignant neglect of the past 12 years has led to the breakdown of the country's immune system, environmentally, culturally, politically, spiritually and physically. Why was the nation's immune system not stronger? Why did we Americans not have better resistance to that deadly virus of hatred?

What has happened these last 12 years is that bigotry was legitimized. Rules were made by and for white, Christian, heterosexual males. Everyone else was left out. And a disease that has infected far more heterosexuals than homosexuals

Who is Pat Robertson to spew such divisive doctrines in God's name? Who is Pat Buchanan to pronounce anybody's love invalid?

uals throughout the world was dismissed as a gay disease with that official, homophobic wink — implying that these deaths did not really matter.

I will never forgive my fellow actor Ronald Reagan for his refusal to even utter the word AIDS for seven years, and for blocking adequate funding for research and education, which could have saved hundreds of thousands of lives. Then came George Bush, once the moderate, who, in a Faustian bargain, allied himself with the same primitive, gay-bashing, immoral minority.

I sat and watched the Republican convention in utter disbelief. How could the Patrick Buchanans and the Pat Robertsons, presuming to be spokespersons for God, spew such doctrines of divisiveness, intolerance and inhumanity? Who is that God?

A lot of us of different political outlook came together that week. The radio came together, the issues and reminded us of how much was at stake as Mr. Buchanan branded the concerns of women, gays, minorities and Democrats as un-American. How dare he call us un-American!

When Mr. Buchanan said, "We stand with George Bush against the immoral idea that gay and lesbian couples should have the same standing in law as married men and women," I wondered: Who is Pat Buchanan to pronounce anybody's love invalid? How can he deny the profound love that all too often takes such people to the bitter end, holding each other in hospitals across the nation?

The far right finally went too far. The country looked straight into the face of hate and the majority of the people said "Enough!" Enough racism, enough sexism, enough gay-bashing, name-calling

and discrimination — enough extremism. And so Americans elected new leaders: Women, gays, Jews, people of color, working people, old people, young people, all of us who valued ourselves enough to demand that our voices be heard, all of us who cherish common decency and common sense revolted and out-organized, out-financed and out-thought those who despise what is best about this country — its cultural, racial and religious diversity.

I feel we are entering a time of healing. Finally, we will have a president whose agenda is compassionate and caring and who I think realizes that the most cost-effective thing to do is spend money on AIDS research and patient care with the same sense of urgency that has been devoted to the military budget or bailing out the failed savings-and-loans institutions.

He has said that "AIDS policy can now be made based on sound scientific and public health principles — not on panic, politics and prejudice."

Now that the Cold War is over, it is time to stop living with the paranoia of "what if" and start facing the reality of what is. What is, is a real crisis in education, in health care, in the economy. What is, is the need for a nation to feel secure.

But how can we Americans feel secure when our teenagers are not being educated about AIDS — when, according to the World Health Organization, by the year 2000 most new HIV infections may be found in women? The WHO also estimates that the figures could be then reach a staggering 40 million people infected — 10 million of them orphans.

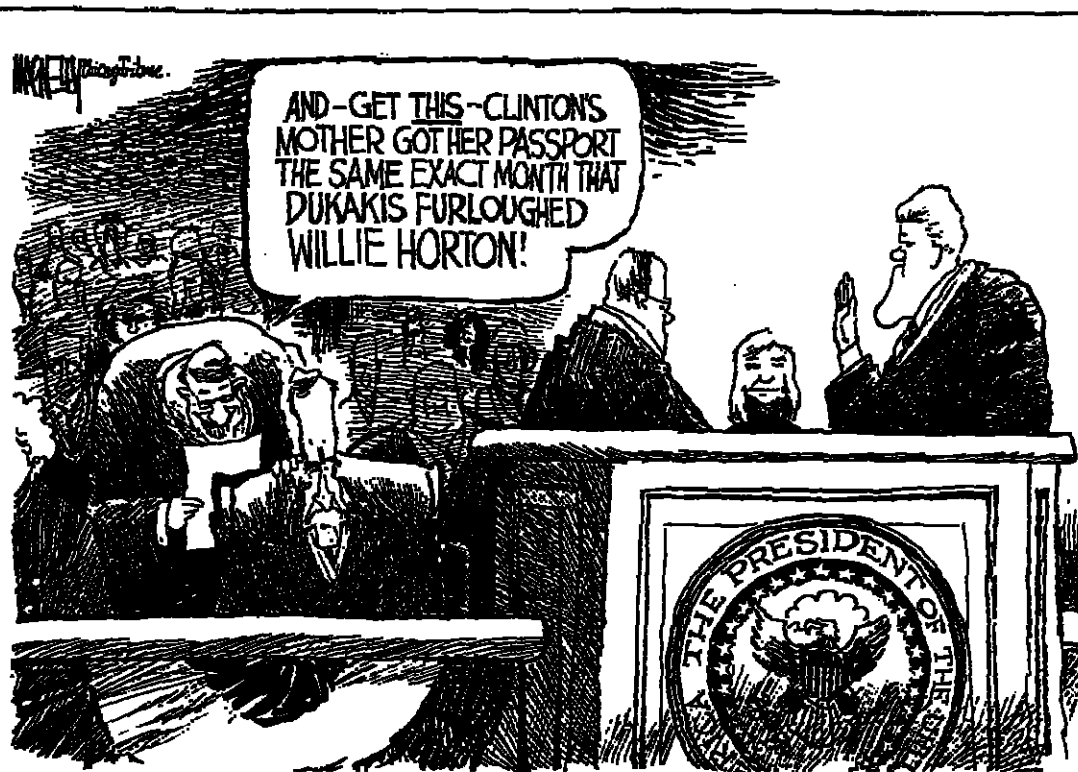
In 1986, I saw a play by Larry Kramer called "The Normal Heart." Set against the beginning of the AIDS epidemic, it is about everybody's right to love.

The main character, Ned Weeks, founded the Gay Men's Health Crisis Center, only to be thrown out because he was too loud, too aggressive, too accusatory, too angry.

Months later, discouraged, disheartened, sick of fighting his friends as well as his enemies, sick of the stupidity, worn down, he faces his lover who is dying of AIDS. And his lover looks up at him and says: "Please learn to fight again. Don't lose that anger. Just have a little patience and forgiveness — for yourself as well." After his lover dies, Ned cries out: "Why didn't I fight harder? Why didn't I picket the White House all by myself if nobody would come?"

We're filled with hope right now that someday, somehow, we will see an end to this human tragedy. But let us vow, if need be, to picket the White House all by ourselves — until somebody comes.

These comments by Ms. Streisand, the director, producer, actress and singer, were excerpted by the Los Angeles Times from remarks she made recently.



Look for Worse Shenanigans at State

By William Safire

WASHINGTON — All last week, the Foreign Service officer establishment was huffing indignantly at the way political appointees of George Bush had abused State Department procedures. Lusting to find dirt in Bill Clinton's passport files, these poles ran roughshod over Foreign Service professionals. "Heinous," cried Acting Secretary Larry Eagleburger, long the department's ranking FSO.

Yes, James Baker and his aides had guilty knowledge of an improper search. Frankly, to expect a campaign chief to call off a search for a document that would have changed the result of an election is to presume a degree of ethical purity rare in politics, but let us stipulate that State's political appointees abused their governmental power.

That impropriety was as nothing compared with the possibility of habitual criminal behavior by the so-called professionals at State — the Executive Secretariat in control of the Operations Center — in eavesdropping on their bosses, perhaps over a long period.

In the course of looking into the story of a State appointee's contacts with the White House, the inspector general at Foggy Bottom tripped over a much more far-reaching scandal: that Foreign Service officers in the communications nerve center of U.S. diplomacy may have been routinely listening in to telephone conversations of their superiors without the consent of either the caller or the call's recipient.

This was not limited to tapping an overzealous consular official's call to the White House, and putting it on the

speakerphone for the amusement of Op Center career eavesdroppers. It included "monitoring" (the euphemism for eavesdropping on) a call from the department's inspector general to the attorney general of the United States.

According to the overlooked Appendix E of the inspector general's recent report, the directors of the Secretariat and Operations Center, Robert Pearson and Glyn Davies, were cautioned "that interception of telephone conversations, in violation of department guidelines and without the express consent of one party to the communication, may well be in violation of Title III of the Omnibus Crime Control and Safe Streets Act of 1968, codified in Title 18, U.S. Code (18 USC) 2510."

That is not stretching procedural rules; that is breaking the law. Although Inspector General Sherman Funk said his men "considered it most unlikely that the Justice Department would pursue criminal investigation in the Operations Center matter," State's whitewashers of career official misconduct were mistaken. Last week a Justice spokesman (relieved that I was not calling about the FBI) told me that "the FBI and the Justice Department are investigating whether anyone at State monitored telephone conversations without authorization."

Dig a little deeper, fellows. Remember a generation ago, when the Joint Chiefs had a spy in the White

House? State's bureaucrats may have long been running a similar "monitoring" operation against presidential appointees, some of whom tell me they were warned about the bureaucracy's surveillance. A few questions not yet being asked:

1. Were the last five directors of the Op Center and Secretariat — two of whom are now senior diplomats — aware of the surreptitious tapping? What happened to notes made of these illegally intercepted calls?
2. Who at State's security division has the capacity to monitor phone calls by senior officials not passed through the Op Center, and have they been doing so? Do they also intercept messages sent on the Centrex computer system?
3. Were any intercepts, recorded or transcribed, ever passed on to presidential appointees on the seventh floor? Any spies ever discovered or leaked?

That is only the beginning. Senator John Glenn of the Government Operations Committee should demand a report from each of the 24 inspectors general under his oversight about unlawful tapping in their departments and agencies. He will be astounded at the unlawful eavesdropping going on.

The government must end the dirty business of eavesdropping by secretly recording conversations. Step One is to vigorously enforce the law against unwarranted snooping — which will keep the bureaucracy's nose out of the business of an elected president.

The New York Times.

President Bush Wakes Up: Decorum in Blue Pajamas

By Angus Phillips

WASHINGTON — As one who crept quite by accident into George Bush's bedroom as he lay sleeping awhile back, I can assure the new man that the White House is not always the airtight bubble it's thought to be.

The occasion was a fishing trip a couple of years ago. The president wanted to go for largemouth bass in the Potomac and, to my utter astonishment, phoned me at home for advice.

For once in my life, I thought on my feet and blurted out an invitation to join me in April when fishing was hot. Mr. Bush, a man of action, checked his calendar, saw an opening and penciled it in. As the day drew nearer, he called a few times to finalize the plan. At last we

whirled and faced a pair of open double doors 15 feet away. Through them I saw the president of the United States, in blue pajamas, rising from his bed. The first lady, propped against a pair of fluffy pillows, also was freshly awake. I don't know if the president saw me and didn't care to find out. I gestured frantically to the butler and hissed, "Let's get out of here!"

We tiptoed back to the elevator hallway. "This can't be right," I whispered. "I'll find out," he assured me, and rapped on a metal stairway door. Out popped a guard. "Look," I told him, "I'm supposed to meet the president for coffee in 10 minutes, but I don't know where I'm supposed to be."

The guard looked me over quickly, saw the ID card, and said: "You can be anywhere you want."

With that, he popped back through the metal door and was gone. Honest.

I looked pleadingly at the butler. "You wait here," he said. "I'll go downstairs and see what's going on." He stepped into the elevator, pressed the button and ca-CHUNK! was gone — leaving me, as far as I could tell, absolutely alone in the presidential residence with George and Barbara Bush.

At which point I heard the one thing I really didn't care to hear — the patter of footsteps as someone drew near, and then a familiar voice shouting, "Robert! Robert! (name changed to protect the innocent). I need you to take these papers downstairs right away!"

Around the corner came the president, in leather slippers and blue moon-grammed bathrobe, with his hair rumpled and glasses askew. But instead of Robert, all he saw was a sputtering fisherman — out of water, babbling incoherent explanations, apologies and assurances that he meant no harm.

The president never lost his decorum. A moment or two of blank confusion was broken by the merciful ca-CHUNK! of the elevator, signaling the butler's imminent return.

The door opened and out stepped Robert. "Coffee is downstairs in the Diplomatic Reception Room," he said. "Everyone is there, waiting."

He turned to the president, who handed him the papers, spun on his heel and hurried back to the bedroom to get dressed — waving a finger and shouting: "Big fish to catch today. Big fish!"

Ten minutes later President Bush strode into the Diplomatic Reception Room with his fishing rods and tackle box in hand, his hair freshly combed and wearing a cheerful smile.

"Angus!" he said, rushing over to greet me, "so good to see you again!" Never once on that long day of good fishing did he mention our curious first meeting — which showed a lot of class.

The writer is the outdoors columnist of The Washington Post.

LETTERS TO THE EDITOR

Time to Rebuild El Salvador

Regarding the editorial "Remaking El Salvador" (Opinion, Nov. 14-15):

It is folly to credit the Bush administration with ending the war in El Salvador or delivering democracy there. It would be more accurate to say that the Salvadoran peace agreement was signed in spite of the United States, by the Salvadoran people with the help of the United Nations. The millions of dollars in U.S. aid and weapons sent to the Salvadoran military fueled a senseless war, perpetuated corruption in the Salvadoran government and provided training and arms for the brutal death squads.

The United States now has a general obligation to help rebuild El Salvador. I hope Mr. Clinton and the U.S. Congress will continue sending aid to El Salvador — but this time for rebuilding — with the same enthusiasm that in the past contributed to the killing.

CARL L. VOTAVA, Prague.

Massacre on East Timor

In "Where He Can Let Humanity and Wisdom Coincide," (Opinion, Nov. 14) Anthony Lewis quotes the new governor of East Timor, Abilio Soares, as saying: "In my opinion there should have been more people killed. Why did only that number die? Why not all 1,000?"

Mr. Soares has denied having made such a statement. The controversy originated with an interview he gave a local magazine (which was picked up by a foreign news agency), when he referred to doubts about the government claim that the death toll in the Dili incident was more than 50. On this, Mr. Soares commented: "You can claim 100, 200 or 1,000 — it's up to you — but the fact is, 50."

I also regret the implication that Indonesian government concern over the Dili incident was merely "put on." The government was extremely serious in dealing with the matter correctly and fairly. It has taught us valuable lessons.

SUTEDIA KARTAWIDJAJA, Foreign Affairs Department, Jakarta.

Russians in the Baltics

Regarding "Citing Housing, Russia Halts Baltic Troop Pullout" (Oct. 27):

Fortunately, the U.S. Congress has ruled that

aid to Russia will be terminated if steady progress is not made in the withdrawal of Russian troops from the Baltics. This provision should be invoked immediately.

HARALD RANKE, Grand Rapids, Michigan.

Limit Terms, Limit Corruption

Regarding the editorial "Term Limits Are Wrong" (Opinion, Nov. 4):

How did this diatribe against changing the entrenched system make it into your newspaper? I hold no brief for term limitation, but the spurious arguments offered against it need comment. Seniority does not necessarily bring competence. There is no objective evidence that senior members of Congress have done well for the taxpayer or will do well under the present system. On the contrary there has always been abundant evidence that power corrupts. Even those lauded with scandal or gross freeloading return to do it again unless they are thrown out.

The American system does not permit voting against an incumbent; it only lets the voter pick among a couple (or three) candidates, all of whom may be totally incompetent.

R. L. L'ESPÉRANCE, Vilnius, Lithuania.

Don't Punish the Underlings

President George Bush should pardon all the Iran-contra malefactors. They were not regarded acting independently of the Reagan-Bush administration. Their violations of law and public policy were performed with the express or tacit approval of both the former and sitting presidents. It is patently unfair to permit Mr. Reagan and Mr. Bush, who prompted the violations, to remain unscathed while others are punished for serving them.

HOWARD S. BOROS, Palma de Mallorca, Spain.

Two Presidents for Germany?

One day after printing Marc Fisher's article on the Germans' supposedly cool reception to Bill Clinton's victory (11/7, Nov. 5), you reported less conspicuously that a poll found nearly 9 in 10 Germans consider the president-elect to be "nice" or "very nice" and believe that he will be good for the United States. This would make Mr.

Clinton more popular in Germany than at home.

EBERHARD WESTENBERGER, Klagenfurt, Austria.

The Germans were lucky to find in Richard von Weizsäcker a splendid symbol of a great citizen of both his postwar country and the European Community. I salute him.

K. A. GROCHOLSKI, Zollikon, Switzerland.

A Plea for Substance

One message of the U.S. presidential election is that we Americans are fed up with "sound bites" and empty, cute phraseology. We want leaders to tell us what they plan to do and how they plan to do it. There is nothing contentious about urging people to unite, to accept responsibility, and to be prepared to compromise for the good of all.

CAROL BIRKLAND, Celigny, Switzerland.

How Are We to Help?

I agree with Flora Lewis — something must be done to dismantle the prison camps in Bosnia ("The Camps Thrive on Silence," Opinion, Nov. 9). But the idea that the world's Jews should be liberators is disconcerting.

Israel has rescued thousands of people, including 300,000 Soviet Jews and 12,000 starving Ethiopian Jews airlifted to Israel. Jewish communities throughout the world have sent food, blankets and supplies to the former Yugoslavia, and Jewish groups have pleaded with their governments to do something to end the war. Jews have not been silent.

Ms. Lewis's suggestions feed into the stereotype that, somehow, Jews have more power and influence than non-Jews.

Cease-fire in the former Yugoslavia do not hold: there is total anarchy. What can one side religious group possibly do that the United Nations, the European Community, the International Red Cross and several governments have failed to do?

For the record: I would like to adopt an East European child, but as an American living overseas, I am caught between international laws. If I can't save one child, how are we to rescue a whole country?

MAXINE KOPEL BOOKBINDER, Luxembourg.

The Objective Defined

The objective in Bosnia must not be clearer ("Define the Objective," Letters, Oct. 28). It should be the same for the military as for any upright democrat: to stop the barbaric practice of "ethnic cleansing."

LEONORE SUHL, Portimão, Portugal.

The Working of America

Russell Baker's unhappiness with "winks" (Nov. 18) in a Clinton White House may be soothed by this citation from the Concise Oxford Dictionary: "winky a. (sl.) Shaky, groggy; unreliable. [jocular formation]"

JOHN CAVILL, London.

Nary a Whiff of Oxford

Regarding "Well Done, Oxford" (Letters, Nov. 11) by Roger Mortimore and Nick Little:

The satisfaction of your correspondents is misplaced. It is true that President-elect Bill Clinton was exposed to Oxford air. It may be fortunate that he did not inhale while there.

C. R. B. JOYCE, Cambridge, England.

VIEWPOINT

The Commerzbank report on German business and finance

The EMS: battered but not beaten

The European Monetary System (EMS) has recently been shaken by the market's verdict that some EC countries will not be able to join the future club. The outcome of the French referendum was not sufficiently reassuring and doubts remain as to whether fixed exchange rates in the EMS can be maintained.

Solid growth in Western Europe, a better grasp of how international policy coordination functions and the general will to achieve low inflation and sustainable public-sector deficits turned the EMS into a system of quasi-fixed exchange rates, which it remained for five and a half years. And this was not questioned even after the severe strains of German unification became apparent.

Fundamental problems

The notion that exchange rates were fixed was swept aside when the UK and Italy temporarily withdrew from the exchange-rate mechanism (ERM). After having ignored the possibility of a realignment for too long, market participants tended for a time to overreact through large-scale selling of even fundamentally sound currencies, most notably the French franc.

Although the interest differential between the franc and the D-mark has been substantially reduced, the French government has repeatedly complained about Germany's high interest rates, especially in view of its own intolerably high unemployment level. This prompted doubts about France's determination to live with German rates.

Generally speaking, if market pressure focuses on the currency of a funda-

"A two-speed monetary union does not reflect Maastricht's political core."

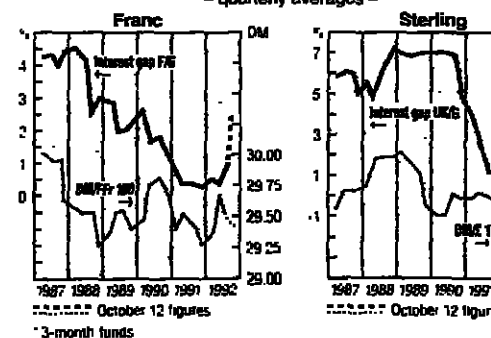
mentally strong economy, the central bank should not hesitate to raise interest rates and intervene. Market pressure will ease fairly soon, allowing short-term rates to decline again. Defending parity for a time is ultimately less expensive than the loss of anti-inflationary credibility through devaluation.

Yet if a country has serious economic problems, as for example Italy does, clinging to fixed exchange rates is pointless. In the long run, an overvalued currency could only be propped up by high, or even rising, interest rates, which undermine fiscal consolidation and stifle growth. Under these circumstances, regaining domestic stability has to take priority over exchange-rate stability. During the adjustment phase, a more flexible exchange-rate regime is needed.

Obvious cases like France and Italy are easy to assess; that of the UK is not so clear-cut. With the economy in a severe recession, sterling's relatively high rate became hard to defend, and even its broad ERM band was not wide enough to allow interest rates to fall sufficiently. Finally, confidence was undermined by the reluctance to raise interest rates as sterling came under speculative pressure.

The UK can now give priority to overcoming recession. While it need not rush to rejoin the ERM, such a move would be prudent as soon as an economic upswing emerges. Ideally, its monetary policy would then be placed in the hands of an independent Bank of England, with a firm commitment to stability, and sterling would have a narrower range. This would restore the credibility of the UK's anti-inflationary policy stance.

Interest differentials and exchange rates: France, Germany and the UK — quarterly averages —

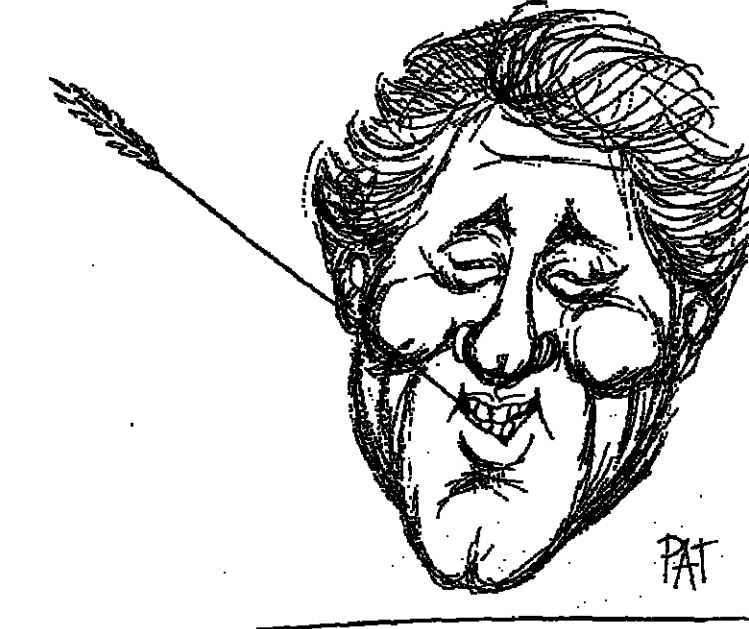


Despite the damage inflicted, the EMS is by no means dead. A core group of countries will always be willing to coordinate their monetary policies. What is more, if the Maastricht treaty is finally ratified, the EMS will be more necessary than ever. Recent events might seem to indicate that in monetary affairs a two-speed Europe is needed. Yet this view fails to recognize that monetary union is ultimately meant as a surrogate for political integration which is intended to embrace the whole EC.

COMMERZBANK

German know-how in global finance

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The show was sliced by a 15 minute interval which underlined the shift from the aggressively provocative period of rock, rave and active sportswear (hooded sweat-shirts and trainers back in 1983) to the poetic provocation of clothes

Have a way of picking up a ball hurled in the street and running with it (hence grunge at Perry Ellis, bondage leather from Gianni Versace and Lagerfeld's hippie revival at Chloé). Westwood, 50, is a fashion originator who has been unable to turn that talent into a buck. The Bordeaux show was sponsored by Chaux et Terres, the textile con-

Recently — some might say finally — Westwood has both been taken seriously (she was awarded the Order of the British Empire by Queen Elizabeth this year) and made her clothes look polished and finished — rather than the earlier embryonic efforts. Much of the retrospective proved that Westwood

Westwood's most recent collections have seemed a reincarnation of Hollywood glamour, although she says that it comes from her interest in haute couture and its techniques: silver-screen glamour was a parody of high fashion. Compared to the angry early years and the provocative Westwood image, the discreet long slim skirts or full-circle mid-calf skirts seem pretty




TEL: (0) 71 925 0504 FAX: (0) 71 925 0502


A black and white photograph showing a hand holding several prepaid calling cards. The cards are fanned out, showing logos and names of telecommunications companies. Visible logos include Sprint, Pacific Bell, Southern Bell, and New York Telephone. The cards are dark with light-colored text and graphics. The background is dark and textured.



Sprint Express Countries	Access Numbers	Sprint Express Countries	Access Numbers	Sprint Express Countries	Access Numbers	Sprint Express Countries	Access Numbers
Argentina	001-800-777-1111	Colombia-English	980-13-0010	+ Ireland	1-800-55-2207	+ Portugal	00357-1-877
Australia	0014-881-871	Colombia-Spanish	980-13-0110	+ Israel	077-982-2727	+ Puerto Rico	1-800-877-8000
+ Austria	002-903-884	+ Costa Rica	162	+ Italy	072-127	+ San Marino	072-3777
Bahamas	1-800-389-201	+ Denmark	0045-1073	+ Japan	0039-131	+ Singapore	800-0877
+ Barbados	1-800-877-8000	+ Dominican Republic	1-800-759-7877	+ Japan	0035-35-277	+ Spain	900-55-0005
+ Belgium	078-11-0914	Egypt	171	+ Korea	0082-6	+ S.L. Lanka	987
+ Bolivia (Phone)	956	+ El Salvador	191	+ Korea	550-FONE	+ Sweden	020-250-491
+ Bolivia (Pay phone)	74	+ Finland	00350-1-0294	+ Luxembourg	155-577	+ Switzerland	09-1777
+ Bermuda	1-800-623-0877	+ France	16-1-0067	+ Malaysia	800-0006	+ Taiwan	0086-24-9877
+ Bolivia	0800-3333	+ Germany	0030-0001	+ Russia	16-1-0087	+ Thailand	001-599-13-577
Brazil	000-9016	+ Guatemala	005	+ Netherlands	05-1-022-9018	+ United Kingdom	0044-05-0877
+ British Virgin Isd.	1-800-877-8000	Hong Kong	800-1877	+ New Zealand	000-939	+ United Kingdom	0090-900-800
+ Canada (Phone Area)	80-01-01	+ Hong Kong	801	+ Norway	050-02-477	+ U.S. Virgin Islands	1-800-877-8000
+ Canada (Phone Area)	2210	+ Hungary	00-1-800-01-877	+ Panama	05	+ Vatican City	072-1877
+ Chile	1-800-877-8000	+ India	000-337	+ Peru	198	+ Venezuela-English	800-1111-0
+ China	00-1-827	+ Indonesia	00-80-15	+ Poland	0010-420-0115	+ Venezuela-Spanish	800-1111-1

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"The Mousetrap,"
40, Still Snapping



INTERNATIONAL

Assess Hot

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There's no handling, and there's no knowing what you're getting," said Frank Rogers, who runs two Dresser Corp. plants that buy foreign scrap.

...investment bankers,
armed with Chinese offi-
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...economy and who
...dictate how man-
...should be sold and at what
...Chinese companies public-
...Chinese stock market for

Mr. Hargreaves acknowledged the success of the new funds came

One of the few, perhaps the only one that has bought Chinese stock and fund issues in July 1994, is Hong Kong and the China Fund at the investment

See HYT

Grade	Rate	Rate	Rate	Rate
Grade 1	1.00	1.00	1.00	1.00
Grade 2	1.00	1.00	1.00	1.00
Grade 3	1.00	1.00	1.00	1.00
Grade 4	1.00	1.00	1.00	1.00
Grade 5	1.00	1.00	1.00	1.00
Grade 6	1.00	1.00	1.00	1.00
Grade 7	1.00	1.00	1.00	1.00
Grade 8	1.00	1.00	1.00	1.00
Grade 9	1.00	1.00	1.00	1.00
Grade 10	1.00	1.00	1.00	1.00
Grade 11	1.00	1.00	1.00	1.00
Grade 12	1.00	1.00	1.00	1.00

Item	Quantity	Unit Price	Total Price
1. 1000	1000	1.00	1000.00
2. 500	500	2.00	1000.00
3. 250	250	4.00	1000.00
4. 125	125	8.00	1000.00
5. 62.5	62.5	16.00	1000.00
6. 31.25	31.25	32.00	1000.00
7. 15.625	15.625	64.00	1000.00
8. 7.8125	7.8125	128.00	1000.00
9. 3.90625	3.90625	256.00	1000.00
10. 1.953125	1.953125	512.00	1000.00
11. 0.9765625	0.9765625	1024.00	1000.00
12. 0.48828125	0.48828125	2048.00	1000.00
13. 0.244140625	0.244140625	4096.00	1000.00
14. 0.1220703125	0.1220703125	8192.00	1000.00
15. 0.06103515625	0.06103515625	16384.00	1000.00
16. 0.030517578125	0.030517578125	32768.00	1000.00
17. 0.0152587890625	0.0152587890625	65536.00	1000.00
18. 0.00762939453125	0.00762939453125	131072.00	1000.00
19. 0.003814697265625	0.003814697265625	262144.00	1000.00
20. 0.0019073486328125	0.0019073486328125	524288.00	1000.00
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Other Dollar Values

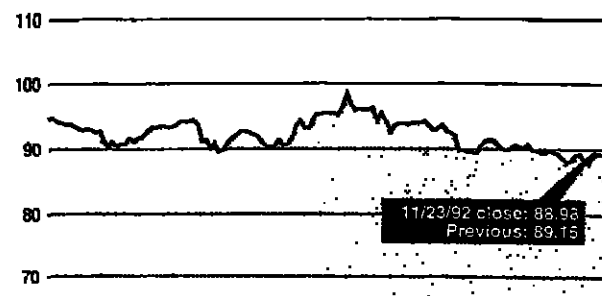
Currency	Per \$	Currency	Per \$
Argentine peso	0.9901	Costa Rican	2.50
Australian dollar	1.6594	Hong Kong	7.80
Belgian franc	11.20		

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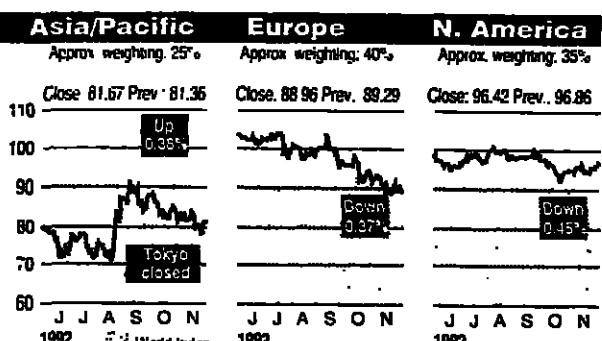


THE TRIB INDEX: 88.98

International Herald Tribune World Stock Index, composed of 230 internationally investible stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked. Due to a holiday in Japan, today's index is calculated on the basis of Tokyo closing prices.



Industrial Sectors			
	Mon. close	Prev. close	% change
Energy	90.16	91.35	-1.30
Utilities	85.34	85.51	-0.20
Finance	80.27	80.37	-0.12
Services	97.82	97.74	+0.08
Capital Goods			
	89.48	89.59	+0.12
Raw Materials			
	87.83	88.29	-0.52
Consumer Goods			
	92.21	92.70	-0.53
Miscellaneous			
	93.82	92.91	+0.98

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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INTERNATIONAL STOCKS

Investors Need Cool Heads To Assess Hot China Hype

By Allen R. Myerson
New York Times Service

FOR NOW, the chance to buy Chinese stocks is well worth passing up for the average Western investor. Small, volatile, thinly traded markets, in Shanghai and Shenzhen, are reason for caution. And the narrow selection of shares available to foreigners has fallen sharply in value since the summer.

The biggest risk, however, comes from investing in companies about which little is known. Few have opened enough of their books for accountants to certify their health, or for investment bankers to ensure that their stock offerings were fairly priced.

"There's no liquidity, and there's no standardized accounting, so you don't know what you're getting," said Fiona Biggs, who manages two Dreyfus Corp. funds that buy foreign securities.

Some investment bankers, confronted with Chinese officials who were veterans of a command economy and who wanted to dictate how many shares should be sold and at what prices, stalked off, refusing to take Chinese companies public.

But Chinese stocks suffer from no lack of hype. Alan Hargreaves, the head of Asian sales for Hong Kong-based H.G. Asia Ltd., told in New York last week how Shenzhen had gone from an empty grid of roads a decade ago to the equivalent of a newly industrialized country today. For China as a whole, he said, "It's one of the biggest booms we've seen in any of the Asian markets we cover."

Mr. Hargreaves acknowledged the risks, which have made the managers of the new funds cautious about pouring all their money into Chinese companies.

One of the few, perhaps the only, portfolio for American investors that has bought Chinese stocks is the Greater China Fund, a closed-end fund issued in July and traded on the New York Stock Exchange. As of Oct. 31, 9.9 percent of its money was in China, 46.1 percent in Hong Kong and the rest in cash.

As with the other two China funds, those who bought the Greater China Fund at the issuing price of \$15 a share merely had the privilege of paying a premium reflecting commissions and fees. The underlying stocks were then worth \$13.80.

Now, as at most other closed-end funds, the price has fallen

See HYPE, Page 17

France's Options Are Limited on Farm Trade Pact

By Alan Riding
New York Times Service

PARIS — France conceded Monday that it had no legal authority to veto the farm trade agreement concluded between the European Community and the United States, but insisted that it could theoretically block a broader global trade pact.

The possibility of a French veto has hung over the farm-trade agreement since Prime Minister Pierre Bérégovoy announced last weekend that it was "unacceptable" to his government and that, "as a very last resort," France could torpedo a deal viewed as harmful to French farmers.

But Monday, eager to dispel the impression that France was threatening its European partners, government officials said Paris could veto only a formal juridical instrument presented by the EC Commission. And this is not the case with the farm-trade agreement reached last Friday with Washington, which covers long-term cuts in subsidized food production and exports.

Thus, France would have to await any final global trade-liberalization accord that emerges from negotiations about to resume under the auspices of the General Agreement on Tariffs and Trade. It would then, the government officials said, have authority to veto the entire package.

But political and trade experts have dismissed the possibility that France alone would dare undermine a 108-nation GATT agreement that is not only expected to stimulate world trade and economic growth, but is also likely to benefit service industries and other nonfarming sectors in France.

Successing their commitment to a GATT accord, French officials have themselves pointed out that agriculture is only one part of a future pact that would also liberalize trade in services, telecommunications and tex-

tiles and establish new rules governing intellectual property. Now, after being held up for months by the disagreement between the United States and the Community on farm trade, the GATT talks are due to resume Thursday in Geneva amid expressions of optimism in many Western capitals that an agreement might be ready before the end of the year.

Nonetheless, having taken a strong stance against the farm-trade agreement, France still has the problem of finding some face-saving device that will enable it to accept a GATT accord without further enraging its one million farmers — and all in the run-up to crucial parliamentary elections in March.

France's grounds for rejecting the deal with Washington are that its farmers are asked to make sacrifices beyond those accepted when the Community overhauled its Common Agricultural Policy last May.

French government officials said that, in order to be able to ensure the country's farmers, France may have to extract new — still undefined — farming concessions from its partners.

Looking for a strong political mandate for further negotiations at the Community, the government hopes to win endorsement of this position when the National Assembly debates the farm agreement on Wednesday.

Its legal options, though, are limited. The EC Commission has authority to negotiate trade issues on behalf of the 12, and in the case of the farm pact, this was carried out by the agriculture commissioner, Ray MacSharry, and the external affairs commissioner, Frans Andriessen.

When the full 17-member commission meets in Brussels on Wednesday to study the agreement, most experts believe it will reject the French argument by concluding that the deal conforms with last spring's reform of the Common Agricultural Policy.

GE Sells Its Aerospace Business To Martin Marietta for \$3 Billion

By Lawrence Malkin
International Herald Tribune

NEW YORK — General Electric Co. agreed Monday to sell its aerospace division to Martin Marietta Corp. for \$3.05 billion in the largest consolidation so far of the shrinking U.S. defense industry.

The GE chairman, John F. Welch Jr., said he initiated the deal as part of his rigorous policy of getting out of any market in which his company cannot be first or second. GE will receive cash and \$1 billion in convertible preferred stock from Martin Marietta and take two seats on its board of directors.

The deal, which both sides persisted in calling a merger although it leaves Martin Marietta the dominant partner in aerospace, will involve 38,000 GE employees in 10 states making satellites and radar, sonar, communications and other high-technology systems that had revenues of more than \$6 billion last year and operating profits of \$655 million. GE's jet-engine division was not part of the deal.

Martin Marietta will almost double its annual revenue, to about \$11 billion, and now bids to become the preeminent U.S. defense contractor while most others seek to slim down or specialize.

General Dynamics Corp., probably the dominant Cold War defense contractor, has decided

to shrink its business and is offering its missile and fighter divisions divisions for sale. McDonnell Douglas Corp. is reorganizing and cutting back, as are the California aerospace companies Lockheed Corp. and Northrop Corp. Other major defense competitors are Hughes Aircraft Co. and Texas Instruments Inc., but few companies remain competitive to Martin Marietta across a broad spectrum of products.

Norman R. Augustine, Martin Marietta's chairman, said at a joint news conference in Washington with Mr. Welch that the purchase of GE's aerospace division would turn his company into a "strong survivor" concentrating on defense and aerospace as a core business.

"The defense budget is clearly declining and industry must consolidate," he said. "There will still be \$100 billion for research, and strong companies will receive a disproportionate share of that money," Mr. Augustine said.

Last year Martin Marietta ranked first in the United States in the number of Pentagon research and development contracts, and GE ranked second. "Standing alone was just not a place either of us ought to have been," Mr. Welch said. One of the features of the deal was an agreement for Martin Marietta to use GE's corporate research-and-development center.

Martin Marietta, which is based near Wash-

ington, will also end up with strong capabilities in civilian high technology. By inheriting GE's civilian weather and other satellites and combining them with its own missiles, it will become the only company in the United States, and perhaps the world, capable of launching its own satellites.

About \$3.5 billion of its revenue now will come from commercial and civil government contracts, a spokesman said. These include research work in high-speed rail, electronically called "smart" highways, and robotics for use in environmental technology, all of which have been mentioned as candidates for government favor by advisers to the incoming Clinton administration.

Wall Street liked the deal. Both companies' shares rose to new highs for the year, with Martin Marietta up \$5.625 at \$63.25 on the New York Stock Exchange, and GE up \$2.125 at \$82.125.

According to both companies, Mr. Welch approached Martin Marietta about a merger. Mr. Welch said it became clear at the first meeting that Martin Marietta "was in no way for sale," so GE would have to sell its business.

The convertible preferred shares GE is to receive represent a 23 percent stake in Martin Marietta.

Westinghouse Will Restructure

Compiled by Our Staff From Dispatches

PITTSBURGH — Westinghouse Electric Corp., in an organizational and management shake-up, said Monday it would exit its disarrayed financial-services business and take a \$2.35 billion pretax charge.

The charge works out to \$1.13 billion after taxes and brings Westinghouse's after-tax charges from the financial-services business to almost \$4 billion since February 1991. Most of the losses came from bad real estate and corporate loans.

"This comprehensive plan enables us to put our financial-services problem behind us and sets the stage for Westinghouse to grow profitably in markets where we are a strong worldwide competitor," Chairman Paul E. Lego said.

Westinghouse shares surged on the news, gaining \$2.375 to \$12.125 on the New York Stock Exchange.

"I think it's definitely a step in the right direction to get them out of this mess," said Kent Newcomb, an analyst at A.G. Edwards. Westinghouse also said it would sell four other "nonstrategic" businesses, cut its debt by

\$5 billion in two years and slash its annual dividend to 40 cents a share from 72 cents.

The company will keep three technology-based businesses: electronic systems, environmental systems and power systems. It also will focus on its Group W broadcasting unit, which owns five television stations and 16 radio stations, and Thermo King Corp., which supplies refrigerated transport equipment.

Westinghouse had a net loss of \$1.1 billion in 1991, including a \$1.7 billion charge from the financial-services business, on revenue of \$12.8 billion. The company said it would have had an operating profit of about \$550 million on revenue of \$8.4 billion had the financial-services unit and the other businesses been divested last year.

Under the reorganization, the company will create an eight-member management committee, which will include Mr. Lego. Three executives, Theodore Stern, George C. Dorman and Robert F. Pugliese, will retire. Leo W. Yochum, chairman of the financial-services unit, will step down but will remain a board member.

The company did not say how long it

would take to exit the financial-services business. Westinghouse got into the business in the 1980s through investments in real estate and loans to finance leveraged buyouts. The company's financial division touted itself as a "one-stop shopping" outlet where investors could raise money for transactions.

Westinghouse took a \$975 million charge in February 1991 for the finance unit, a \$1.68 billion charge in the third quarter of 1991 and \$155 million in the third quarter of 1992.

The latest plan should provide Westinghouse with enough money to retire all the financial-services division's debt, which totals more than \$6 billion.

Westinghouse said it planned to sell its distribution and control business, Westinghouse Electric Supply Co., the office-furniture maker Knoll International, and its Westinghouse Communities real estate subsidiary.

Concerns over Westinghouse's bad investments caused rumors of the company's impending collapse last month, which Mr. Lego denounced. Still, Westinghouse shares have plunged 40 percent since September.

(Bloomberg, Reuters)

Bayer Sounds Warning As Profit Plunges 32%

By Brandon Mitchener
International Herald Tribune

LEVERKUSEN, Germany — Bayer AG reported Monday a 32 percent drop in its third-quarter pretax profit and warned that Bonn's current plans to cut health-care costs jeopardized the German chemicals industry's most promising business, pharmaceuticals.

"We find it difficult to understand how the government can talk about securing German competitiveness on the one hand and purposely handicapping a booming business on the other," said the Bayer chairman, Manfred Schneider.

The health-care reform plan, now making its way through parliament, aims to cut the public-health bill by 11.4 billion Deutsche marks (\$7.2 billion) a year, in part by rolling back prices of prescription drugs.

Mr. Schneider called the plan a "massive burden for the profitability of the entire pharmaceuticals sector." He said it would cost his company about 50 million DM in income in each of the next two years and likely lead to layoffs.

Bayer plans to trim its worldwide payroll by 3.7 percent this year and by at least 2 percent next year.

The pharmaceuticals division was Bayer's only source of growth in the first nine months of 1992. Overall, group pretax profit fell 16 percent in the period to 2.22 billion DM, on a 2.4 percent decline in sales to 31.75 billion DM. In the third quarter alone, pretax profit fell to 470 million DM from a year earlier, on a 7 percent slide in sales to 9.56 billion DM.

Mr. Schneider predicted Bayer's full-year profit would fall short of earlier expectations of 2.9 billion DM, which is 10 percent plunge from 3.21 billion DM in 1991.

The third-quarter results were considerably worse than analysts' expectations of a 15 percent to 25 percent drop in profit. As a result, Bayer stock dropped, losing 3.60 DM to finish at 204.10 DM on the Frankfurt Stock Exchange.

Mr. Schneider said Bayer's prime difficulties, like those of its two main German competitors, Hoechst AG and BASF AG, were the weakness of the dollar, a continuing global price war in basic chemicals and a new, "dramatic" decline in sales volume in the third quarter.

Increasingly, however, even steadily rising pharmaceutical earnings are no sure thing. "Health-care reforms in a whole row of countries, especially Germany, without question carry risks whose consequences we cannot yet guess," Mr. Schneider said.

Miles Inc., Bayer's U.S. pharmaceuticals subsidiary, reported a 6 percent increase in sales to \$4.9 billion in the first nine months.

CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	D.M.	S.F.	Yen	CS	Swiss	Nov. 23	
Amsterdam	1.625	2.73	1.08	1.334	1.724	—	1.402	1.483	1.253
Bremen	222.25	28.15	23.9	4.884	2.493	—	4.18	2.28	3.81
Frankfurt	1.482	2.41	—	1.332	1.714	—	1.113	1.245	1.247
London (te)	—	2.26	1.279	1.830	2.771	—	1.218	1.880	1.481
Paris	11.516	174.08	72.01	25.49	1.330	—	4.18	3.28	8.428
Basel	1.018	1.218	0.5	1.332	1.714	—	1.113	1.245	1.247
New York (te)	—	1.111	1.405	1.740	2.484	—	1.218	1.880	1.481
Porto	5.488	2.225	1.382	—	1.332	—	1.113	1.245	1.247
Toronto	1.284	1.975	1.883	1.332	1.714	—	1.113	1.245	1.247
Zurich	1.475	2.18	1.084	1.332	1.714	—	1.113	1.245	1.247
1 SDR	1.211	1.829	1.029	1.332	1.714	—	1.113	1.245	1.247
Not quoted									
Changes in Amsterdam, London, New York and Zurich, figures in other centers; Toronto rates of 3 a.m.									
a: To buy one pound; b: To buy one dollar; *: Units of 100; N.O.: not quoted; N.A.: not available									
Other Dollar Values									
Currency	Per	Value	Currency	Per	Value	Currency	Per	Value	
Australian	0.7901	0.7901	20.05	1.00	20.05	2.00	2.00	2.00	
Belgian franc	1.336	1.336	7.36	1.00	7.36	1.00	1.00	1.00	
Canadian dollar	1.125	1.125	1.125	1.00	1.125	1.00	1.00	1.00	
French franc	1.366	1.366	1.366	1.00	1.366	1.00	1.00	1.00	
German mark	1.332	1.332	1.332	1.00	1.332	1.00	1.00	1.00	
Italian lira	1.366	1.366	1.366	1.00	1.366	1.00	1.00	1.00	
Japanese yen	1.332	1.332	1.332	1.00	1.332	1.00	1.00	1.00	
Spanish peseta	1.366	1.366	1.366	1.00	1.366	1.00	1.00	1.00	
Swiss franc	1.332	1.332	1.332	1.00	1.332	1.00	1.00	1.00	
U.S. dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
West German mark	1.332	1.332	1.332	1.00	1.332	1.00	1.00	1.00	
Yen	1.332	1.332	1.332	1.00	1.332	1.00	1.00	1.00	
Forward Rates									
Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day		
Forward Sterling	1.364	1.365	1.365	Canadian dollar	1.292	1.296	1.297		
Deutsche mark	1.412	1.417	1.421	Japanese yen	1.341	1.349	1.350		
Swiss franc	1.448	1.449	1.450						
Sources: ING Bank (Amsterdam), Indosuez Bank (Brussels), Banca Commerciale Italiana (Milan), Anglo Bank (Paris), Bank of Tokyo (Tokyo), Royal Bank of Canada (Toronto), IMF (SORI), Other data from Reuters and AP.									

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MARKET DIARY

Gains in Key Issues Blunt Dow's Fall

NEW YORK — Stock prices ended slightly lower on Monday as gains in several key issues helped counter a plunge in shares of leading computer-software companies. The Dow Jones industrial average fell 432 points, to 3,223.04.

N.Y. Stocks
Declining common stocks outnumbered advancing issues by about a 9-to-8 margin on the New York Stock Exchange. Trading was active, with about 183 million shares changing hands.

Microsoft Corp., the biggest U.S. developer of computer software, fell 6 1/2 to 88 1/2. Apple Computer Inc. fell 1 1/2 to 40 1/2. IBM Corp. fell 1 1/2 to 56 1/2. The Dow Jones industrial average fell 432 points, to 3,223.04.

Over-the-counter stocks are getting hit after what Goldman Sachs did to Microsoft and its weighing on the entire market, said Dennis Jarrett, market analyst at Kidder, Peabody & Co.

The Dow's decline was curbed by sharp gains in three of its components: Westinghouse Electric rose 2 1/2 to 12 1/2, GE rose 2 1/2 to 8 1/2 and IBM gained 1 1/2 to 56 1/2.

MARKET: 3 Nations Raise Rates
(Continued from page 1)
money soared to 1,000 percent, as it did in Norway.

This followed the Norwegian central bank's increase in its lending rate to banks to 25 percent. The previous rate of 17 percent had been set Friday when it was increased from 10 percent. The krona, which is not a member of the exchange-rate mechanism but

change rate weakened against 3.925 per mark.
A sell-off in the French and Danish bond markets pushed long-term interest rates up about one-tenth of a percentage point. Traders in Paris expressed fears that further deterioration could trigger a larger sell-off later in the week.

Reflecting the unease in exchange markets and more fundamental concerns that industry cannot cope with the high level of interest rates at a time of slowing economic activity, stock prices in many Continental markets declined. The only gains were recorded in Britain, Italy and Sweden — all countries that have gained independence over interest rates by permitting their currencies to float.

The currency market response to the weekend devaluations "is disappointing," said Jim O'Neill at Swiss Bank Corp. in London. "The market is nervous about the Danish krone and the French franc and we have an unstable situation even if on the surface conditions appear to be calm."

Most disturbing, analysts agree, is that traders in the currency market no longer believe that interest rates can be raised to dispel expectations of impending devaluation.

The 1,000 percent overnight rates can deter outright speculation, but they increase suspicion because none of the European economies can withstand the high interest rates needed to ward off attack.

Foreign Exchange
which shadows the European Community currencies that are, was barely changed Monday from Friday, at 3.95 per mark.

In Iceland, meanwhile, the government announced a 6 percent devaluation of the krona, which had held steady for three years against a basket weighted toward the European currency unit.

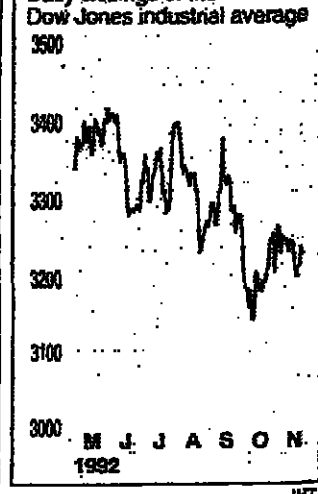
Reykjavik acted after the country's ailing fishing industry complained that the devaluation of the peseta had put Iceland's sales of salted cod to Spain at risk.

In Denmark, whose krone had been expected to come under pressure after the weekend devaluations, money market rates were quoted at around 40 percent, but the krone hovered above its floor rate at 3.8554 per mark.

Money market rates in France rose from 9.375 to 9.75 percent as the Bank of France drained funds from the market. The central bank was reported to be discreetly intervening, buying francs, but the ex-

The Dow

Daily closings of the Dow Jones industrial average



Dow Jones Averages

Index	High	Low	Last	Chg.
Indus.	3223.04	3218.00	3223.04	-432
Transp.	1152.10	1148.00	1152.10	+10
Com.	1164.28	1159.00	1164.28	+10

Standard & Poor's Indexes

Index	High	Low	Last	Chg.
Indus.	100.88	100.75	100.88	-0.18
Transp.	101.14	101.00	101.14	+0.14
Com.	101.14	101.00	101.14	+0.14

NYSE Indexes

Index	High	Low	Last	Chg.
Composite	115.14	115.00	115.14	-0.18
Indus.	115.14	115.00	115.14	-0.18
Transp.	115.14	115.00	115.14	+0.14

NASDAQ Indexes

Index	High	Low	Last	Chg.
Composite	424.24	423.00	424.24	-0.76
Indus.	424.24	423.00	424.24	-0.76
Transp.	424.24	423.00	424.24	+0.76

AMEX Stock Index

Index	High	Low	Last	Chg.
Composite	324.74	324.00	324.74	-1.45
Indus.	324.74	324.00	324.74	-1.45
Transp.	324.74	324.00	324.74	+1.45

Dow Jones Bond Averages

Index	High	Low	Last	Chg.
20 Bonds	102.24	102.00	102.24	+0.17
10 Industrials	102.24	102.00	102.24	+0.17
10 Transp.	102.24	102.00	102.24	+0.17

Market Sales

Index	High	Low	Last	Chg.
NYSE 4 p.m. volume	100,000,000	100,000,000	100,000,000	0
NYSE 4 p.m. volume	100,000,000	100,000,000	100,000,000	0
NASDAQ 4 p.m. volume	200,000,000	200,000,000	200,000,000	0

N.Y.S.E. Odd-Lot Trading

Index	High	Low	Last	Chg.
Nov. 23	100.00	100.00	100.00	0
Nov. 22	100.00	100.00	100.00	0
Nov. 21	100.00	100.00	100.00	0

EUROPEAN FUTURES

Index	High	Low	Last	Chg.
SUGAR (FUT)	12.00	11.90	12.00	+0.10
COFFEE (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05

Food

Index	High	Low	Last	Chg.
SUGAR (FUT)	12.00	11.90	12.00	+0.10
COFFEE (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05

Metals

Index	High	Low	Last	Chg.
ALUMINUM (FUT)	1.00	0.95	1.00	+0.05
COPPER (FUT)	1.00	0.95	1.00	+0.05
ZINC (FUT)	1.00	0.95	1.00	+0.05

Financial

Index	High	Low	Last	Chg.
3-MONTH STERLING (LIFR)	1.00	0.95	1.00	+0.05
3-MONTH EURO (LIFR)	1.00	0.95	1.00	+0.05
3-MONTH JPY (LIFR)	1.00	0.95	1.00	+0.05

U.S. / AT THE CLOSE

Index	High	Low	Last	Chg.
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05

Industrials

Index	High	Low	Last	Chg.
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05

Stock Indexes

Index	High	Low	Last	Chg.
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05

Spot Commodities

Index	High	Low	Last	Chg.
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05

Dividends

Index	High	Low	Last	Chg.
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05
U.S. DOLLAR (FUT)	1.00	0.95	1.00	+0.05

Ernst & Young Agrees To Pay U.S. \$400 Million

WASHINGTON (AP) — Ernst & Young, one of the largest accounting firms in the United States, agreed Monday to pay the government a record \$400 million to settle charges stemming from its audits of failed financial institutions.

The settlement was announced jointly by officials of the Federal Deposit Insurance Corp., Office of Thrift Supervision and Resolution Trust Corp. They said the settlement was the largest amount ever recovered by the government in a case involving lawyers and accountants providing professional advice to a financial institution.

The settlement was part of the government's attempt to recover losses from the bailout of the savings-and-loan industry. The Ernst & Young chairman, Ray J. Groves, said the firm's insurance carriers would cover \$300 million of the settlement and the firm would pay the other \$100 million over the next four years.

Bethlehem Steel and Ispat Set Deal

JOHNSTOWN, Pennsylvania (Combined Dispatches) — Bethlehem Steel Corp. said Monday it had agreed to sell substantially all its Bar, Rod and Wire Division to West Mediana SA de CV, a member of the Ispat Group of India. No financial details of the deal were disclosed.

Bethlehem said the facilities included were the Johnstown plant's two-furnace electric steelmaking melshop, the primary rolling mills, the Gaultier mills and the 11-inch mill, plus a rod mill at Sparrows Point, Maryland, and a 13-inch bar mill at Lackawanna, New York.

Ispat has said it will modernize some of the facilities. Bethlehem said, in order to make it a "world class" steelmaker. The Ispat Group has operations in Mexico, the West Indies, India and Indonesia, with a worldwide steelmaking capacity of 4.5 million tons. (AP, UPI)

Kodak to Sell Atex and 2 Other Units

ROCHESTER, New York (AP) — Eastman Kodak Co. said Monday it would sell three subsidiaries: Atex Inc., Estek Products Division and Eastman Kodak Credit Corp. No financial details were disclosed.

Atex, which makes computers and workstations for newspapers and magazines, will be sold to an investment consortium headed by Danny Chappal. Mr. Chappal manages several computer and press companies in Europe, the United States and Australia. Atex will continue operating from its headquarters in Billerica, Massachusetts.

Weekend Box Office

Rank	Title	Company	Gross
1	"Home Alone 2"	(20th Century Fox)	\$32 million
2	"Bram Stoker's Dracula"	(Columbia)	\$15.1 million
3	"Malcolm X"	(Warner Brothers)	\$10.5 million
4	"Passenger 57"	(Warner Brothers)	\$4.5 million
5	"A River Runs Through It"	(Columbia)	\$3 million
6	"Under Siege"	(Warner Brothers)	\$2.5 million
7	"The Mighty Ducks"	(Disney)	\$2 million
8	"The Last of the Mohicans"	(20th Century Fox)	\$1.9 million
9	"Jennyfer 8"	(Paramount)	\$1.4 million
10	"Pure Country"	(Warner Brothers)	\$900,000

U.S. FUTURES

Index	High	Low	Last	Chg.
WHEAT (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05

Grains

Index	High	Low	Last	Chg.
WHEAT (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05

Metals

Index	High	Low	Last	Chg.
WHEAT (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05

Livestock

Index	High	Low	Last	Chg.
WHEAT (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05

Financial

Index	High	Low	Last	Chg.
WHEAT (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05
WHEAT (FUT)	1.00	0.95	1.00	+0.05

WORLD STOCK MARKETS

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

Index	High	Low	Last	Chg.
Amsterdam	100.00	99.00	100.00	+1.00
Brussels	100.00	99.00	100.00	+1.00
Frankfurt	100.00	99.00	100.00	+1.00

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NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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IN HONG KONG, THERE IS THE PROMISE of TWO SHANGRI-LAS.

Situated in the centres of commerce with uninterrupted views of Victoria Harbour, The Island Shangri-La in Pacific Place and the Kowloon Shangri-La in Tsim Sha Tsui. The preferred choices in Hong Kong.

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Table with multiple columns of financial data, likely stock prices and market indices, organized in a grid format.

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NASDAQ

Monday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AIC, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Stock	Div.	Yield	PE	52-Week High	52-Week Low	P.A. Div.
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COCO
L'ESPRIT DE CHANEL

SPORTS BASKETBALL

Plant's Capsized Boat Is Found

Compiled by Our Staff From Dispatches

PONTA DELGADA, Portugal — The wreckage of the yacht of round-the-world sailor Michael Plant was found Monday north of the mid-Atlantic archipelago of the Azores, and the search for Plant, who has been missing for three weeks, was continuing, a U.S. consulate official said.

A Portuguese merchant navy ship found the wreckage of the 60-foot (18-meter) Coyote some 400 nautical miles (740 kilometers) north of the Azores, said the official, who asked not to be named.

No further details were available, she said.

In Falmouth, England, warships and planes were ordered Monday to join the search for Plant, and a French ship was en route to the area.

Three American surveillance planes spent Monday scouring the area and a British Air Force Nimrod surveillance aircraft was to continue the search overnight.

"It appears the yacht lost its ballast weight, which was tucked onto the keel and capsized suddenly, fully rigged," a coast guard spokesman

said in Falmouth. "If it did go over suddenly then he would have had difficulty in getting himself out."

A Liberian-registered tanker, the Protank Orinoco, first spotted the capsized yacht Sunday and radioed the U.S. Coast Guard. Coyote's hull was floating in an area about 480 miles southwest of Ireland and about 500 miles north of the Azores.

Plant was on his way to Les Sables d'Olonne, France, for the start of the Vendée Globe Challenge, a nonstop race around the world that began Sunday.

The search for Plant began 10 days ago and included six days of searching with U.S. and Canadian aircraft. It also included a notice to vessels like the Protank Orinoco to keep watch for the Coyote.

U.S. Coast Guard Lieutenant Andrew Sorenson, based at Governors Island in New York, said that there apparently had been no damage to the hull of Plant's yacht. But he said the ballast bulb, designed to keep the boat upright, was missing.

The heavy lead bulb was mounted like a pendulum on the end of an 11-foot carbon-fiber keel blade.

"It was next to impossible for them to get close to the yacht," Sorenson said of the tanker's crew. "But they could see, as the boat crested on the waves, the name Coyote written on the side of the hull."

Sorenson said that the crew could also see, as the yacht pitched and rolled on the waves, that the Coyote's rig and sails were intact. The tanker reported that the boat looked as if it had a full set of sails hoisted.

The U.S. Coast Guard said Sunday that it would begin a flare search, a fanning out of airplanes from the position where Plant's boat was found, with two coast guard C-130 planes and a U.S. Navy P-3 Orion, also propeller planes.

The coast guard also said that it was attempting to coordinate the rerouting of a U.S. Navy vessel to the area.

Plant left New York Oct. 16 and was expected to reach Les Sables d'Olonne by Oct. 31.

On Oct. 21, he radioed to a passing freighter that his on-board electronic system, which operated

lights, automatic steering, hydraulics and computer equipment, had failed.

Plant has not been heard from since, except for a brief and sketchy signal Oct. 27 from an emergency radio beacon.

Stephen Baker, the Newport, Rhode Island, yacht designer who developed the Coyote with his partner, Rodger Martin, said Sunday that he was baffled about how the ballast bulb could have broken free.

Without ballast, the boat would flip over immediately and not be able to right itself. Most keelboats will pop back up if they roll over because the ballast shifts the center of gravity so the boat resumes its upright position. The Coyote lost its righting ability when it lost the bulb.

"It would take a lot to take those bolts off," Baker said of the way the bulb was secured to the keel stem. Six three-quarter-inch (19-millimeter) stainless steel bolts were threaded through a metal plate embedded in the keel. (AP, Reuters, NYT)



Mike Plant, the American sailor who has been missing in the Atlantic for three weeks, aboard another sailing boat in 1990.

Colleges: Endless Pressure And a Logjam of the Elite

By Malcolm Moran

NEW YORK — More than four months away from the hasty construction of a victory stand on a Monday night in New Orleans, the earliest signs of a celebration seem to be taking place.

The University of Michigan had just played a game against the Russian national basketball team at the Palace of Auburn Hills. Last week's glorified scrimmage attracted 19,229 customers, some of whom had to search for parking spots until halftime. Everyone seemed happy just to get a glimpse of the Fab Five as sophomores and eager to write in their young heroes for nothing less than a spot in the Final Four, as the semifinals and finals of the National Collegiate Athletic Association's tournament are called.

"Who could argue? From that Monday night last April in Minneapolis, even before their tears were dry after a championship-game loss to Duke, the Wolverines were widely figured as favorites in a tournament that was then a year away.

Although the billion-dollar success of the NCAA tournament has been built upon the effectively marketed premise that everybody has a chance, recent history has established a logjam of elite programs that makes any road to a championship one that must be navigated with care, skill and luck.

The price of being among the elite is that entire seasons can now be defined on the basis of one buzzer-beating shot. So as the trip to next April begins, everyone should understand that no amount of promise allows for any prizes. Prospective spots in the Final Four, no matter how logical they may seem in advance, should be marked in pencil until well after the fates of March.

Years from now, the youngest, most avid fans will be able to recite the 1992 Final Four: Duke, Michigan, Indiana and Cincinnati. But, quick: Who were the No. 1-seeded teams?

It was Duke's Grant Hill and Christian Laettner had not then created the unforgettable last-instant overtime basket that beat Kentucky, the Blue Devils would have joined Ohio State, Kansas and UCLA as top-seeded teams that sat at home on the final weekend.

Of the 14 champions since the tournament field was first seeded in 1979, only five had been the No. 1 team in their regions. And two of them required memorable game-winning shots, by North Carolina's Michael Jordan in 1982 and by Indiana's Keith Smart five years later.

Of the 56 teams in the Final Four in that span, less than 40 percent have been seeded No. 1. But teams seeded Nos. 1, 2 or 3 in the top 12 teams each year — have occupied 40 of those last 56 Final Four spots.

"People don't realize how good teams are," said Steve Fisher, Michigan's coach. "There's not going to be a team like Indiana in '76, or UCLA, to go undefeated. There are some elite teams, but those who are on the next level have managed to reduce the size of that gap."

The intense scrutiny inspired by the growth of the tournament has made dealing with that logjam a complicated issue. Fisher was wary of being perceived as making excuses in advance. Duke's coach, Mike Krzyzewski, who has watched the unveiling of two championship banners in the last two seasons, did not want to be considered a self-promoter for explaining the factors that helped his team succeed at the highest level.

But as the tournament has evolved from 8 teams to 64, and as logistical considerations have taken on Super Bowl proportions for coaches and young, ever-changing casts of players, the competition for a national title has grown to include more perplexing factors than turned ankles and missed foul shots.

"My motto was 'Play Hard and Have Fun,'" said Michigan's Chris Webber. "And that's what I did."

But can that be accomplished as easily as a sophomore surrounded by other celebrated sophomores? As highly recruited talents are publicized at an earlier age, the scrutiny that surrounds a high-profile team can seem a natural progression rather than something new. "Chris Webber has been bombarded that way since he was a freshman in high school," Fisher said. "I think our kids can cope with that better than a lot of older players."

The elite can retain their status because the step to the highest level has become so difficult. When a conference's representation in the NCAA field was restricted to one school, some

The Top 25 Teams

The AP poll, with first-place votes in parentheses, records through Nov. 23. Total points based on 15 points for a first-place vote and previous results:

Rank	Team	Record	Pts	Pts
1.	Michigan (24)	9-0	1,540	1
2.	Kansas (18)	9-0	1,515	2
3.	Duke (15)	9-0	1,515	3
4.	Indiana (6)	2-0	1,494	4
5.	Kentucky	9-0	1,345	5
6.	Setson Hall (7)	2-0	1,312	6
7.	Florida St.	2-0	1,174	7
8.	North Carolina	9-0	1,165	8
9.	Louisville	9-0	1,148	9
10.	Arizona	9-0	1,039	10
11.	Iowa	9-0	787	11
12.	Connecticut	9-0	787	12
13.	Georgia Tech	9-0	656	13
14.	Georgia Tech	9-0	640	14
15.	Tulane	9-0	632	15
16.	Connecticut	9-0	517	16
17.	Syracuse	9-0	428	17
18.	Michigan St.	9-0	344	18
19.	Tulane	9-0	332	19
20.	Massachusetts	9-0	323	20
21.	UCLA	2-0	299	21
22.	UCLA	2-0	294	22
23.	Cincinnati	9-0	287	23
24.	Iowa St.	1-1	283	24
25.	Nevada	9-0	281	25

Florida State Moves Up 2 Places in Poll

The Associated Press

The top six teams in the first regular-season college basketball poll held their spots Monday from the preseason voting, and Florida State made the first jump of the year, moving up two places to seventh.

With just the 12 games of the first two rounds of the preseason NIT having been played, a lot of change wasn't expected. Michigan, Kansas, Duke, Indiana, Kentucky and Seton Hall stayed Nos. 1-6. Florida State's jump came at the expense of North Carolina and Memphis State, which each dropped a spot to eighth and ninth, respectively. Arizona again closed the top 10.

Indiana, Seton Hall, Florida State and No. 21 UCLA, which improved three spots, will play Wednesday night in the semifinals of the preseason NIT at New York after winning two games each. The championship game is Friday night. Indiana and Florida State each beat a ranked team in the second round of the tournament that starts the season. The Hoosiers beat Tulane, which dropped from 17th to 19th, while the Seminoles

Suns Are Sunk Early by Bulls

Compiled by Our Staff From Dispatches

The Chicago Bulls gave the Phoenix Suns a lesson in what it takes to be a great team.

The Bulls made 18 of their first 22 shots and Michael Jordan scored 40 points Sunday night en route to a 128-111 victory in Phoenix, Arizona.

Jordan, who scored 54 points in Friday's overtime loss to the Los Angeles Lakers, had 37 by the end of the third quarter. It was the 146th

NBA HIGHLIGHTS

time he has scored more than 40 points in a game.

Charles Barkley led the Suns with 22 points and nine rebounds.

"Chicago is a great team, and we are not ready to challenge them yet," said the Suns' coach, Paul Westphal. "By the end of the year, I think we have a chance."

Trail Blazers 115, Pistons 90: In Portland, Oregon, Cliff Robinson scored 20 points as the Trail Blazers remained the league's only unbeaten team. Their coach, Rick Adelman, reached career victory No. 200 in his 288th game, faster than any other coach in NBA history.

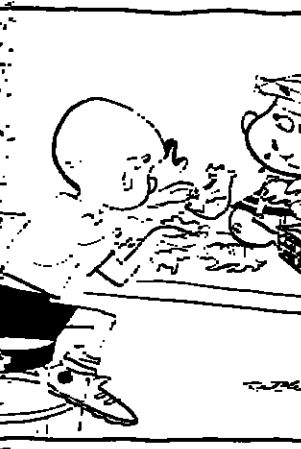
Clyde Drexler added 19 points for Portland, which wound up with six players in double figures, including Rod Strickland, who recorded the team's first triple-double of the season with 11 points, 10 rebounds and 13 assists.

The Pistons, paced by Joe Dumars' 19 points, dropped their fifth straight.

Warriors 114, Nets 101: Chris Mullin scored 34 points and Tim Hardaway added 27 as Golden State won its 11th straight in East Rutherford, New Jersey. The Warriors won for just the second time in their last eight games to complete a five-game road trip at 1-4. Drazen Petrovic scored 23 points for the Nets, who have lost three straight at home. Derrick Coleman had 19 points and 15 rebounds for New Jersey.

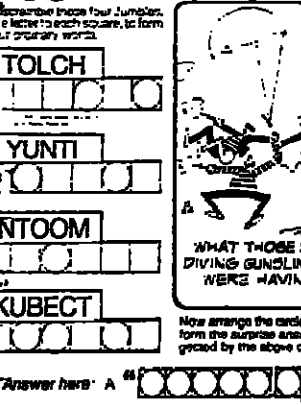
Lakers 119, Nuggets 107: In Inglewood, California, Sedale Threatt scored a game-high 32 points and Vlade Divac added 27 to pace Los Angeles to its third straight victory. Chris Jackson had 20 points and Robert Pack 18 for Denver, which dropped to 0-5 on the road. (UPI, AP)

DENNIS THE MENACE



"DON'T START EATING THEM, JOE. YOU'LL NEVER WANT TO EAT THEM!"

JUMBLE



Answer here: A

PEANUTS



GLOMP!

BLONDIE



"DAGWOOD, I'VE BEEN DOING A LOT OF THINKING LATELY."

BEEBLE BAILEY



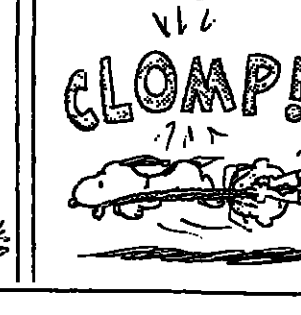
GREAT OMELET, COOKIES!

DOONESBURY



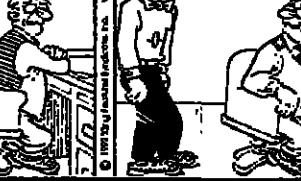
"I'VE GOT RECOILS."

CALVIN AND HOBBES



"THIS CONNECTS THE DOTS. BOOK REALLY MAKES ME MAD! LOOK AT THIS."

WIZARD of ID



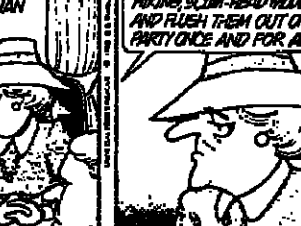
"I WANT OUTTA HERE... I AIN'T SHARING SPACE WITH NO FILTHY VERMIN!!"

REX MORGAN



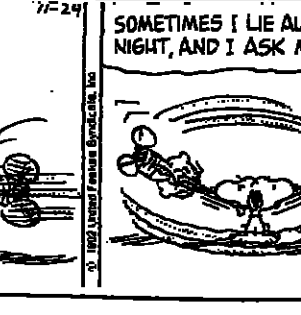
"I DON'T THINK ANYONE WOULD HERE!"

GARFIELD



"YEEHAAAA!"

WIZARD of ID



"I WANT OUTTA HERE... I AIN'T SHARING SPACE WITH NO FILTHY VERMIN!!"

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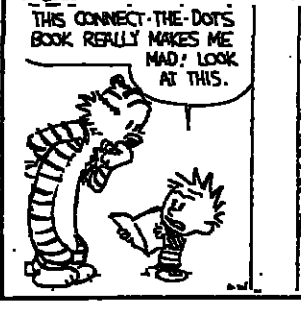
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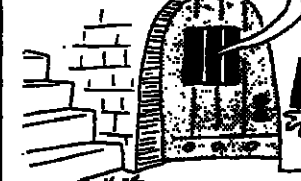
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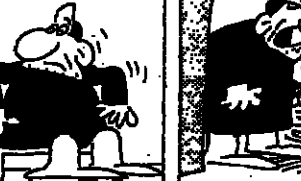
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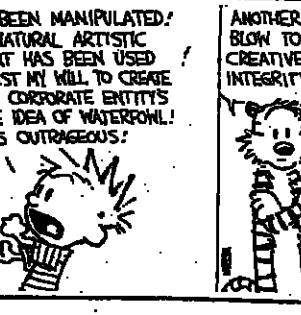
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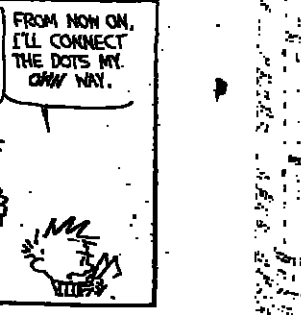
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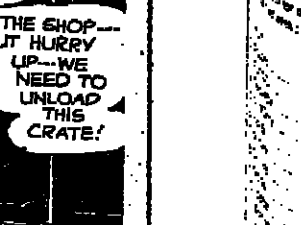
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"YEEHAAAA!"

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SPORTS FOOTBALL

Lineups
For Bowls
Clearer

By Malcolm Moran
New York Times Service

NEW YORK — When Miami's Casey Greer stopped Syracuse tight end Chris Godwin on the 3-yard line, ending the last snap of the quarter, the possibilities for New Year's Day came into a much clearer focus.

One of three games in the new bowl coalition should be host for a No. 1 vs. No. 2 matchup that would decide an accepted national champion for the first time since 1959.

As teams approach an end of their regular seasons, a time when bowl commitments used to be already severely dictated in stone, the picture mandated by the coalition has proven to be a strength.

Miami's 16-10 victory over Syracuse on Saturday, which extended the nation's longest major-college winning streak to 26 games, left the Hurricanes one victory from a spot in a championship game.

The Hurricanes received 61 of the 62 first-place votes in The Associated Press poll, which the coalition will use as its guide for making bowl selections on Dec. 6.

A Miami victory next Saturday against San Diego State — in a meeting of Heisman Trophy candidates Gino Torretta and Aztec running back Marshall Faulk — would put the Hurricanes one step from a second consecutive perfect season.

Torretta threw for 343 yards, but had three interceptions, against Syracuse. Faulk, in the Aztec's 45-41 loss to Fresno State, left because of a knee sprain after just two carries for 21 yards and a touchdown.

His status is considered questionable for the Miami game.

If Alabama beats Auburn on Thursday, then wins the first Southeastern Conference championship game against Florida on Dec. 5, the Crimson Tide could play for the No. 1 spot against Miami in the Sugar Bowl.

Alabama, an Alabama loss, however, could make the choice of the AP poll a decisive factor.

Once-beaten Florida State, which is ranked third ahead of undefeated Texas A&M, could move into the second spot if the Crimson Tide loses.

A Florida State victory at home against Florida next Saturday, combined with an Alabama defeat,



The Cowboys' Emmitt Smith ran into a flock of Cardinals on the ground, gaining only 84 yards. But he caught 12 passes for 67 yards.

would create a Miami-Florida State rematch in the Fiesta Bowl. Miami's coach, Dennis Erickson, is not happy with the possibility of a rematch. His team's 19-16 victory on Oct. 3 was not secure until Seminole kicker Dan Mowrey missed a 39-yard attempt on the final play of the game.

Losses by Alabama and Florida State could give Texas A&M the chance to face Miami in the Cotton Bowl. Notre Dame, which has used five consecutive victories to move into the No. 5 spot in the AP poll, needed a Miami loss to enter the championship picture.

The Rose Bowl, which earlier this month had a chance to be host for a championship game outside of the coalition's jurisdiction, be-

came even less meaningful Saturday. Washington lost to Washington State, 42-23, in the snow in Pullman, Washington, and Michigan tied Ohio State, 13-13.

Copper Bowl Picks Teams
Washington State, ranked No. 21, got a bid to the Copper Bowl in Tucson, Arizona, following its upset of No. 11 Washington. The Associated Press reported.

In the Dec. 29 game, Washington State will play Utah in the Dec. 29 game.

Washington State appeared to be out of the bowl picture last week, but got back in after beating Rose Bowl-bound Washington and, at 8-3, tying Southern Cal for third in the Pac-10.

Utah was invited to the Copper

Bowl despite a 6-5 record that includes losses to New Mexico and Texas-El Paso, the two worst teams in the Western Athletic Conference.

But Utah's coach, Ron McBride, has a local connection — he's a former assistant at Arizona — and the school pledged to sell 10,000 tickets.

There will be another Pac-10 versus WAC matchup Dec. 29 when Southern Cal plays Fresno State in the Freedom Bowl.

Fresno, which leads the nation in scoring with a 40-point average. If the Bulldogs (7-4) beat Texas-El Paso next week, they will share the WAC title with Hawaii and BYU.

No. 19 Southern Cal (6-3-1),

which lost to UCLA by 38-37, won't officially be invited to the Freedom Bowl until the bowl coalition makes its picks on Dec. 6.

In addition to the Rose Bowl, the bowls with two confirmed teams are the Liberty (Mississippi-Air Force), Peach (North Carolina-Mississippi State) and Holiday (Hawaii-Illinois).

Bowling Green, the Mid-American champion, will play a Big West representative in the Las Vegas Bowl. Nevada won the Big West title, but doesn't have six victories over I-A opponents — an NCAA requirement for bowl consideration.

If Nevada doesn't get a waiver from the NCAA, runner-up San Jose State would go to Las Vegas. (NYT, AP)

Broncos, Without Elway,
Are Blanked by Raiders

By Steve Springer

Los Angeles Times Service

LOS ANGELES — Terry McDaniel has been chasing John Elway for 11 weeks.

In his mind, McDaniel, a cornerback for the Los Angeles Raiders, is having a Pro Bowl season, arguably his finest.

But he couldn't quite forget the National Football League season opener 11 weeks ago.

He can still clearly remember Elway driving the Denver Broncos

down the field in the closing minutes, the call for the blitz from the secondary, his hands nearly within reach of the slick Elway.

McDaniel missed the quarterback by a step, leaving Elway room to throw the pass that led to a Broncos victory and the start of the Raiders' four-game losing streak.

Sunday, McDaniel got his revenge.

Sunday, it was the Broncos who missed Elway.

Sunday, it was McDaniel who made the big plays, intercepting two passes and returning each 67 yards as, with a strong defensive effort, the Raiders blanked the Broncos, 24-0, before a Coliseum crowd of 50,011.

With the Raiders getting their first 100-yard rushing game by an individual this season — Eric Dickerson gained 107 in 16 carries — and three touchdowns passes by quarterback Jay Schroeder, they beat the AFC West-leading Broncos.

Elway, who is expected back for Denver's next game, against Seattle, said that Maddox learned a lot.

"I told him that all he could do is the best he could do and not worry about it," Elway said. "Tommy made some mistakes, but you have to give some credit to their defense."

In other games, The Associated Press reported:

Chiefs 24, Seahawks 14: Kansas City forced six turnovers, intercepting Kelly Stouffer four times in Seattle, to move into a tie with Denver atop the AFC West.

Rookie Dale Carter ran back a punt 86 yards for a touchdown and Neil Smith returned one pass interception 22 yards for another score.

Former Seattle quarterback Dave Krieg returned to the Kingdome and completed 11 of 15 passes for 103 yards. He was sacked four times, twice by Rufus Porter, but Kansas City didn't commit a turnover.

Chargers 29, Buccaneers 14: San Diego, playing at home, won for the

By George, He
Missed a Lot

The Associated Press

EAST RUTHERFORD, N.J. — George Young had the flu and missed his first game since taking over as the New York Giants' general manager 213 games ago.

He probably could not have picked a better game to miss, with the Eagles scoring 34 straight points to win, 47-24.

The 47 points were the most against New York since Washington's 49-13 victory in 1975.

Vai Sikahema's 87-yard punt return in the third quarter was not only a team record but the Eagles' first punt return for a touchdown since Greg Garris's 76-yarder against the Raiders in 1986.

And, the Giants lost quarterback Jeff Hostetler to a concussion.

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Chargers 29, Buccaneers 14: San Diego, playing at home, won for the

sixth time in its last seven games, surging into the playoff picture behind a defense that sacked Vinny Testaverde six times. Rookie Chris Mims made three of the sacks.

Cowboys 16, Cardinals 10: In Tempe, Arizona, Emmitt Smith, the NFL's top rusher, got only 84 yards on the ground for Dallas but he caught 12 passes for 67 yards and Alvin Harper caught passes for 88 yards. Troy Aikman completed 25 of 36 for 237 yards and two TDs, although Michael Irvin, his favorite receiver, had only one reception.

Phoenix lost Chris Chandler, its starting quarterback, with a concussion.

Patriots 24, Jets 3: New England, playing at home, won a second straight after nine losses as Jon Vaughn rushed for a career-high 110 yards and a touchdown. New York was held to 166 yards offense, just 77 on the ground, where the Jets had averaged 158.5 in the previous four games.

Dolphins 19, Oilers 16: In Miami, the Dolphins staged a successful fourth-quarter rally for the fourth time this season. Pete Stoyanovich kicking a 52-yard field goal, his fourth of the game, with two seconds left after the Oilers' Al Del Greco — who kicked three field goals — missed from 41 yards.

Dan Marino completed all five of passes on the 42-yard drive that got Miami in position.

Calgary, Winnipeg Win
Doug Flutie's 3-yard run with 19 seconds left capped a 77-yard, last-minute drive and gave Calgary a 23-22 victory over Edmonton and a berth in next Sunday's CFL championship game. The Associated Press reported.

Flutie's 39-yard pass to Allen Pitts moved the ball to the Edmonton 16, and the former Boston College star then covered the rest of the distance on three carries.

Opposing Calgary in the Grey Cup game will be Winnipeg, which beat Hamilton, 59-11, as Michael Richardson ran for 227 yards and three touchdowns.

SCOREBOARD

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

East

Team	W	L	T	Pts	PF	PA
Buffalo	10	2	0	210	287	182
Miami	8	3	0	227	249	193
Indianapolis	4	7	0	244	147	250
N.Y. Jets	1	10	0	178	167	251
New England	2	9	0	182	182	240

Central

Team	W	L	T	Pts	PF	PA
Pittsburgh	10	2	0	227	226	153
Houston	4	5	0	245	264	197
Cleveland	4	6	0	459	147	176
Cincinnati	4	6	0	264	197	240

West

Team	W	L	T	Pts	PF	PA
Denver	7	4	0	236	228	172
Kansas City	7	4	0	245	187	179
San Diego	6	5	0	245	187	179
LA Raiders	5	6	0	245	187	179
Seattle	5	6	0	245	187	179

NATIONAL CONFERENCE

East

Team	W	L	T	Pts	PF	PA
Dallas	9	2	0	218	243	142
Philadelphia	7	4	0	238	255	148
Washington	7	4	0	238	255	148
N.Y. Giants	5	6	0	245	249	249
Pittsburgh	5	6	0	223	184	241

Central

Team	W	L	T	Pts	PF	PA
Atlanta	8	3	0	227	226	153
Green Bay	4	5	0	245	264	197
Chicago	4	7	0	245	264	197
Tampa Bay	4	7	0	245	264	197
Detroit	3	8	0	223	184	241

West

Team	W	L	T	Pts	PF	PA
San Francisco	7	4	0	240	191	138
New Orleans	7	4	0	240	191	138
Akron	4	7	0	240	191	138
LA Rams	4	7	0	240	191	138

SUNDAY'S RESULTS

Team	W	L	T	Pts	PF	PA
Atlanta	8	3	0	227	226	153
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SUNDAY'S RESULTS

	W	L	T	Pts	PF	PA
Pittsburgh	15	2	3	38	97	72
New York	11	9	0	22	64	68

Peter Greenaway and the Sound of Clouds

International Herald Tribune

PARIS — To promote its vast, and for the most part unseen, drawing collection, the Louvre invites an intellectual celebrity — a combination that is uniquely French — to curate a drawings show on a theme of his choice. The first such exhibition, a couple of years ago, was called "Memoires d'Avignon" ("Blind Memories") and was by the distinguished and mystifying philosopher Jacques Derrida. The second is by the British filmmaker Peter Greenaway.

Greenaway says he was actually invited before Derrida but was too busy. His show, which he calls "Flying Out of This

MARY BLUME

World," and which is more poetically titled "Le bruit des nuages," or "The Sound of Clouds," in French, has just opened and continues until Feb. 1. Greenaway will give a public lecture on his choices on Dec. 5 and the exhibition is accompanied by a retrospective of 24 of his films.

Although he may not be as distinguished as Derrida, Greenaway has proved equally mystifying since his film "The Draughtsman's Contract" became a surprise success 10 years ago, leading to other works of formal beauty, mathematical precision and complex private allusions. Greenaway's films not only invite deconstruction but demand it if one is to make head or tail of them.

Before becoming a film director, Greenaway, 50, was a film editor and before that an art student. He continues to paint (he will exhibit in New York's SoHo this winter) and also to write unpublished novels as well as his own scripts. He has three films ready for shooting and is editing one that he hopes will be shown at the Cannes Festival.

It is based on a half-heard, half-whispered story about a child saint, Greenaway says. At its simplest the new film is based on a remark from "The Cook, the Thief, His Wife and Her Lover" to the effect that in our world the good are seldom rewarded, the bad are seldom punished, but the innocent are always abused. Greenaway's films are not, however, to be taken at their simplest. This one is called "The Baby of Mâcon" because he spent a vacation there and because Mâcon is not far from the French town of Nevers, where Alain Resnais shot Greenaway's favorite film, "Hiroshima mon amour." Despite its rather specific title, "The Baby of Mâcon" also refers to Cosimo de' Medici, the Counter-Reformation, and to the debased tradition of history painting. A subtle comment on the very contemporary subject of child abuse. It is all, Greenaway says, seen through the Baroque imagination.

Peter Greenaway considers himself a



Peter Greenaway, left, in front of scene from his film "The Belly of an Architect."

man of the Baroque and blames the failure in France of his last film, "Prospero's Book," on the curious proposition that "the French are perhaps not very interested in the Baroque — their century is really the 18th and not the 17th."

He believes that we are in a Baroque age today. "We live in a time of excess — excess population, excess information. Another characteristic of the Baroque is illusion and film is almost entirely connected with shadows, there's nothing there. If Bernini were alive today he'd be over the moon at the apparatus he could play with."

Like Derrida, Greenaway chose drawings by Chassériau and Redon. Among the 100 works in "Flying Out of This World," there are inevitably Baroque artists but also Goya, Delacroix, Constable, and Victor Hugo's drawing of a hanged man, a punning reference to gravity as the weight that pulls a body to its death and also to gravity in the sense of gravitas.

Greenaway's theme of flying leads to an exploration of falling — the fall of man and also of such individuals as Icarus and Sisyphus plunging from her rock. "The bodies plunge through the surface of the Earth and break through to the circles of hell related to Dante's ninth circle, where the wings still beat in terms of nightmares underneath the circles of the Earth," he remarks.

One could well imagine Greenaway, with his stately mien and pointed chin, in a 17th-century full-bottomed wig, an image reinforced by the fact that while talking he twiddles with a white feather as if it were a quill pen. The feather has fallen from a huge pair of wings intended to symbolize the flight of Icarus but which has been the subject of last minute objections on the part of the Louvre.

"The authorities here regard it as too much kitsch, I think, for the august walls of this building. But I am a filmmaker and filmmakers tend to be showmen."

Greenaway's showmanship and his fascination with taxonomy, a word that often enters his conversation, as well as the conceits he delights in may have been restrained by the Louvre but he is in full flight in another exhibition, now on in three museums in Vienna. He was invited to choose 100 objects to represent the world. "One of the objects is a crashed airplane, so you can imagine the scale," he says.

Other choices for the Vienna show include Freud's hat, a chain saw, a woman who arrives daily to sleep in public, a huge slice of a belly in reference to Greenaway's film, "The Belly of an Architect," and a Nazi gibbet. Taxonomy — counting with the intent of finding meaning — fascinates him in relation to form.

"Without wishing to overstretch the conceit I suppose it's the way culture works and the way most civilization works — this desire to comprehend chaos by inventing or constructing structures of all sorts and sizes. If you've got the structure right, then maybe you can begin to understand the phenomenon."

In one of his films, Greenaway says that everything that exists exists to be put in a frame. "I suppose it's the argument of the taxonomist," he says. "The man who needs to catch every single butterfly in the world and pin it down somewhere with a rusty drawing pin."

In Greenaway's films he pins down all imaginable butterflies in an order available only to him: a series of conceits — another favorite word — that creates formal order. He has said that as a filmmaker he is basically a clerk.

Were his hero Bernini to return to Earth today, he might be as fascinated as Greenaway thinks with film, but this does not mean he thinks Bernini would be a film director.

"It's difficult to say. He was a great diplomat wasn't he, a great political animal," Greenaway said. "A film producer rather than a director, I think."

LANGUAGE

A Fist Halfway Down Your Throat

By William Safire

WASHINGTON — Newsweek, in "The Inside Story" of the '92 campaign, points out proudly that Mark Miller was given extraordinary access to the inner workings of the Clinton campaign, thanks to the permission of the candidate himself.

Miller reports an episode of interest to students of vivid figures of speech in general, and of Southern American dialect in particular.

When the Bush campaign suggested that Clinton's "People first" economics would mean higher taxes for everyone who makes more than \$36,000 a year, Clinton, according to Newsweek, blew up. Speechwriter Paul Begala sought to assuage his anger. Miller reports, but Governor Clinton said: "I want to put a fist halfway down their throats with this. I don't want subtlety. I want their teeth on the sidewalk."

This is not the cherubic, resolutely respectful Clinton that a plurality of American voters came to know and love. Historians and biographers will look at that direct question and ask: Was the reporter present to hear the words? Was his source Begala or someone else who was

formant from Florida is cited in the Linguistic Atlas of the Gulf States as saying, "You'd be picking up your teeth off the floor with a broken arm." Hall's colleagues at the University of Wisconsin recall, but cannot immediately cite, a detective novel line, "All I could think of was how good his teeth would look on the floor." (Says the woman from DARE: "We could really use a concordance of Mickey Spillane.")

Will the president-elect, once ensconced in the White House, lose connection with the figures of speech of his campaign trail? Or will he emulate Harry Truman and Lyndon Johnson and retain them, as he likes to say publicly, until the last dog dies?

Assuming the quotations attributed to him in Newsweek's "Inside Story" are accurate, we can await future memoirs by sides along the same revealing lines. Sooner or later, there will be a confrontation between President Clinton and the Senate majority leader, George Mitchell, who has an especially toothy smile. Dialecticians can't wait for a confirming citation.

□

The one-word headline of New York Newsday read: *Blowout!*

To some, this meant *landslide*, which had replaced *avalanche* in political parlance for "overwhelming election victory." To political lexicographers, it meant that an old word had a new meaning.

Blowout began in the language as a synonym for quarrel, and was used alongside *riotion* and *ruckus*. When automobiles came along at the turn of the 20th century, it was a depiction of the burning of a pneumatic tire. (Electricians, heart specialists and oil-well drillers: do not send angry postcards about the suppression of arcs, aneurysms and the uprush of fluids; we're dealing here with the general public.)

In this generation, the most common slang meaning of *blowout* was "raucous party, swinging shindig," in the new American Heritage Dictionary, the citation is from Vanity Fair: "Lunch was a billion-calorie blowout beside the pool."

Meanwhile, the expression to *blow away* took root, meaning "to overpower, to crush all resistance"; extending the metaphor, a music lover could be "blown away" by the latest hip-hop. (Strictly speaking, the noun should be *blowaway*, but nobody speaks slang strictly.)

Was the 1992 result a *blowout*? No; although no objective standard exists, especially in a three-way division, a difference of 10 points in the popular-vote percentages would be indisputably a *blowout*, in the Electoral College, the number 400 might be a *blowout* point. Many newspapers went for *decisive* as the defining adjective for the Clinton victory; those who went for *landslide* and *blowout* added that they meant in the Electoral College.

Use all current meanings in a sentence: On the way to the blowout after the blowout, the victors' motorcade had a *blowout*.

New York Times Service

International
Classified

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WEATHER

Europe				Forecast for Tuesday through Thursday			
City	Today	High	Low	City	Today	High	Low
Algeria	21/20	11/10	5/2	London	12/10	15/10	8/5
Amsterdam	11/12	6/4	3/2	Madrid	14/12	20/12	12/5
Antwerp	10/11	5/3	2/1	Moscow	10/11	15/11	7/2
Athens	13/10	6/4	3/2	Paris	12/10	15/10	8/5
Berlin	10/12	6/4	3/2	Rome	14/12	20/12	12/5
Bombay	28/26	24/22	18/16	Stockholm	10/11	15/11	7/2
Buenos Aires	18/19	23/21	15/10	Taipei	16/17	22/20	12/5
Calcutta	28/26	24/22	18/16	Tokyo	12/10	15/10	8/5
Cairo	24/22	20/18	12/5	Yokohama	12/10	15/10	8/5
Chennai	28/26	24/22	18/16				
Colombo	28/26	24/22	18/16				
Dhaka	28/26	24/22	18/16				
Delhi	28/26	24/22	18/16				
Dubai	28/26	24/22	18/16				
Guangzhou	28/26	24/22	18/16				
Hankow	28/26	24/22	18/16				
Hong Kong	28/26	24/22	18/16				
Kobe	12/10	15/10	8/5				
Kuala Lumpur	28/26	24/22	18/16				
Manila	28/26	24/22	18/16				
Mumbai	28/26	24/22	18/16				
Nagasaki	12/10	15/10	8/5				
Osaka	12/10	15/10	8/5				
Seoul	12/10	15/10	8/5				
Shanghai	28/26	24/22	18/16				
Singapore	28/26	24/22	18/16				
Sourabaya	28/26	24/22	18/16				
Taipei	16/17	22/20	12/5				
Tokyo	12/10	15/10	8/5				
Yokohama	12/10	15/10	8/5				

CROSSWORD

ACROSS
1 Poker call
2 Kind of enemy
3 Kind of lore
4 Results of pats
5 "Babies"
6 Berda
7 15th island district
8 Hot spot
9 With 61 Across, Berna-type observation
10 City on the Truckee
11 Bone Comb
12 Corn unit
13 Brag
14 Kind of closet
15 — adjudicate
16 Apportion
17 In re
18 Brial-park
19 Aides
20 Avert
21 Shipments to
22 ———
23 Pile — mode
24 Displayed fierce anger
25 Place for a spelunker
26 See 17 Across
27 ———
28 Summers in Savoie
29 Sheer cloth
30 Spanish muralist
31 A workshop
32 ———
33 Off-the-cuff witicism
34 DOWN
35 Star for Cecil Fielder
36 Hitchhiker

Solution to Puzzle of Nov. 20
LAUGH RASP CRAB
ARTOO OOR HAIL
GREEN MINE ARLO
HITCHHIKER
ALIT ONE THIRDS
RUNOFF COOS
CCTEIGER SHIP
HITCHHIKER
DOO RECON ONA
BOHEME QID IDES
FLAMINGOBROAD
LISA IAGO RECUT
AVID TEEN TOILE
TETE HAYS ESSEX

CROSSWORD

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3 Certain savings
 acct.
 4 Roasting rod
 5 Serf of yore
 6 Mil. mailing
 address
 7 Adverse
 8 Originate
 9 Author of Uncle
 Remus tales
 10 Compel
 11 Vanquished
 12 Carson's
 successor
 13 "You'll Never
 _____" 1943
 song
 19 Prowler in an
 alley
 24 End of a
 Hemingway title
 25 Stingy
 26 Group of Alps in
 Graubünden
 27 Palatable
 28 Inverted or
 pondered
 29 Hauboy
 32 Take care of
 33 Fall flower
 37 Perry or lake in
 Italy

40 Lahr or Wheeler
 41 Declare
 42 Secondhand
 transactions
 47 Said
 51 Lifeless
 52 Summer treats
 53 Praise highly
 56 Movie dog
 57 Moral
 58 Opposite of 57
 Down
 59 Nabe store
 62 Suffix with left or
 right
 63 Johnny _____